



HDFC Life Insurance Company Limited



Sar utha ke jiyo!

BUILDING FOR THE FUTURE

Insurance for all Indians



Environmental, Social And Governance Report **2023-24**

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Corporate Information

Board of Directors

Mr. Deepak S. Parekh
Chairman
(Up to April 18, 2024)

Mr. Keki M. Mistry
(Appointed as the Chairman w.e.f.
April 18, 2024)

Mr. Kaizad Bharucha

Mr. VK Viswanathan
(Ceased to be Director w.e.f.
April 24, 2024)

Mr. Prasad Chandran
(Ceased to be Director w.e.f.
April 24, 2024)

Mr. Sumit Bose

Mr. Ketan Dalal

Ms. Bharti Gupta Ramola

Dr. Bhaskar Ghosh

Mr. Venkatraman Srinivasan
(Appointed w.e.f.
April 18, 2024)

Ms. Vibha Padalkar
*Managing Director &
Chief Executive Officer*

Mr. Suresh Badami
Deputy Managing Director

Mr. Niraj Shah
*Executive Director &
Chief Financial Officer*

Executive Committee

Ms. Vibha Padalkar

Mr. Suresh Badami

Mr. Niraj Shah

Mr. Prasun Gajri

Mr. Narendra Gangan

Mr. Vibhash Naik

Mr. Vineet Arora

Mr. Rangarajan BN

Ms. Eshwari Murugan

General Counsel, Chief Compliance Officer & Company Secretary

Mr. Narendra Gangan

Statutory Auditors

M/s Price Waterhouse,
Chartered Accountants LLP
(Up to 24th AGM)

M/s G.M. Kapadia & Co.,
Chartered Accountants

M/s BSR & Co. LLP,
Chartered Accountants
(Proposed from 24th AGM)

Corporate Social Responsibility and ESG Committee

Mr. Deepak Parekh
(Up to April 18, 2024)

Mr. Prasad Chandran
(Ceased to be the Director w.e.f.
April 24, 2024)

Ms. Vibha Padalkar

Mr. Suresh Badami

ESG Management Committee

Mr. Niraj Shah

Mr. Narendra Gangan

Mr. Prasun Gajri

Mr. Vibhash Naik

Mr. Vishal Subharwal

Registered Office

13th Floor, Lodha Excelus,
Apollo Mills Compound,
N M Joshi Marg, Mahalaxmi,
Mumbai - 400 011

Tel.: 022 6751 6666

Fax.: 022 6751 6861

Email: investor.service@hdfclife.com

Website: www.hdfclife.com

CIN: L65110MH2000PLC128245

About the Report

At HDFC Life (referred to as 'We', 'Us', or 'the Company'), we persistently strive to foster sustainable value creation. We endeavour to transparently disclose pertinent non-financial information, upholding the highest standards of integrity, thus empowering all stakeholders to make well-informed decisions. A journey that we embarked upon in FY 2020-21 with our first ESG Report has come a long way in the last three years with progress on many fronts. We are excited to present our third ESG Report which provides a comprehensive update on our non-financial performance. This report contains our ESG performance and explains our holistic value creation model, our material matters determined through engagement with stakeholders, our ESG pillars, and corporate governance structure along with robust risk management framework.

Reporting Principles and Framework

The information presented in this Report has been compiled in accordance with the regulatory requirements and disclosures, complying with the requirements of:

- The Companies Act, 2013
- The Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002
- The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Accounting Standards notified under section 133 of the Companies Act, 2013
- The Insurance Regulatory and Development Authority of India (IRDAI) Corporate Governance Guidelines
- Secretarial Standards issued by Institute of Company Secretaries of India (ICSI)

The Report aligns with the Integrated Reporting (IR) framework as stipulated by the International Integrated Reporting Council (IIRC), which was integrated with the Value Reporting Foundation (VRF) in June 2021.

In August 2022, the VRF was consolidated into the International Sustainability Standards Board (ISSB) governed by the IFRS Foundation.

Reporting Boundary

This report discloses the ESG performance, on a standalone basis and performance of the Company for the year from April 1, 2023 to March 31, 2024.

Materiality Determination

This report includes information which is material to all stakeholders of the Company and provides an overview of its business and related activities. In FY 2022-23 we conducted a materiality assessment basis which we determined our material topics. In the current year

we refreshed our material topics through an internal reassessment. While evaluating the material concerns, we have considered our operational surroundings, including legal and regulatory compliance, industry trends, and risk framework. Detailed information on our significant materiality matters is covered on Pg 22.

Responsibility Statement

This Report is a concerted effort of the senior management and the ESG team along with various cross-functional teams. The senior management collaborated to prepare, present, and validate information in this Report.

ESG Management Committee Approval

The Committee acknowledges that it has exercised its collective efforts in the preparation and presentation of this Report and assumes responsibility for upholding its integrity. According to the Committee, this Report addresses material concerns pertaining to us and provides a fair and balanced view of the Company's ESG performance.

Assurance

G.M. Kapadia & Co has provided reasonable assurance on the identified core sustainability information in Business Responsibility Sustainability Reporting and limited assurance on agreed/identified sustainability indicators detailed in assurance report, in line with Sustainability Assurance Engagements (SSAE) 3000 standard, "Assurance Engagements on Sustainability Information" issued by the Sustainability Reporting Standards Board of the ICAI.

Forward-Looking Statements

The information presented in this Report may include certain information on future operations and performance of the Company. While these statements reflect our future expectations, several risks, and uncertainties such as inflation, deflation, unanticipated changes in interest rates, and other critical factors may cause actual results to differ significantly from our expectations.



Our Vision and Values

Integrated thinking and delivering on our purpose



Our Integrated Reporting Process



Feedback

We welcome your valuable feedback, and for any queries relating to this Report and its contents, you can write to us at: investor.service@hdfclife.com

The World of HDFC Life

HDFC Life Insurance Company Limited ('HDFC Life') is a listed life insurance company promoted by HDFC Bank Limited ("HDFC Bank"), India's leading private bank. As on March 31, 2024, HDFC Bank held 50.37% in HDFC Life. Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as protection, pension, savings, investment, annuity and health.

As on March 31, 2024, the Company had a product portfolio comprising 83 products (including individual and group products) and 13 optional riders, catering to a diverse range of customer needs. HDFC Life benefits from its presence across the country, having a wide reach with 535 branches and distribution touchpoints through

several tie-ups and partnerships. We have tied up with over 300 partners, comprising both traditional partners such as Non-Banking Financial Companies (NBFCs), Micro Finance Institutions (MFIs) and Small Finance Banks (SFBs) as well as new-ecosystem partners. The Company has a strong base of over 2 lakh agents.

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 Values

E

Excellence

Excel in every action with an aspiration to be the best in the industry

P

People Engagement

Respect your colleagues and contribute towards an engaged work environment

I

Integrity

Conduct in a manner that is consistent with the Company's code of conduct and demonstrate accountability for all professional actions

C

Customer Centricity

Keep policyholders' interest at the core and deliver on all commitments

C

Collaboration

Proactively align all actions towards achieving organisational goals

Parentage

HDFC Bank is India's largest private sector bank by balance sheet size as on March 31, 2024. It was incorporated in August 1994 by the erstwhile Housing Development Finance Corporation Limited (HDFC Ltd.) which was amongst the first financial institutions in India to receive an "in-principle" approval from the Reserve Bank of India to set up a bank in the private sector. It started off as a transaction bank and subsequently forayed into the entire gamut of asset, liability and payments products providing banking solutions to a larger customer base of retail, MSME and corporate segments.

On July 1, 2023, HDFC Ltd. merged with and into HDFC Bank, enabling the bank to add mortgages to its suite of products.

This also brought broader financial services institutions including HDFC Life, HDFC AMC and HDFC Ergo, in addition to HDFC Securities and HDB Financial Services as subsidiaries under the HDFC Bank group.

As of March 31, 2024, the Bank's distribution network was at 8,738 branches and 20,938 ATMs and Cash Recycler Machine (cash deposit & withdrawal) across 4,065 cities and towns. The Bank's international operations comprises 4 branches in Hong Kong, Bahrain, Dubai and an IFSC Banking Unit in Gujarat International Finance Tec-City. It has 5 representative offices in Kenya, Abu Dhabi, Dubai, London and Singapore catering to Non-Resident Indians and Persons of Indian Origin.

Our Subsidiaries

HDFC Pension

HDFC Pension Management Company Limited ("HDFC Pension"), a wholly-owned subsidiary of HDFC Life Insurance Company Limited, started its operations in August 2013. It is the fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 69.5% in AUM) with an AUM of ₹ 76,955 crore as on March 31, 2024. In FY 2019-20, HDFC Pension started its operation as a Point of Presence (POP) in both retail and corporate NPS segments. HDFC Pension opens National Pension Scheme (NPS) accounts through their Point of Presence (POP) channel. HDFC Pension closed FY 2023-24 with over 2,500 Corporates and over 3.2 lakh NPS customers.

HDFC International

HDFC International Life & Re, a wholly-owned subsidiary in the Dubai International Financial Centre (DIFC), completed eight years of operations and has expanded its presence across GCC and broader MENA region. The business model continues to offer treaty and facultative led reinsurance

solutions to cedents and client partners, across life and medical insurance lines. During the financial year 2023-24, HDFC International commenced its commercial operations of HDFC International Life and Re, IFSC Branch ("HDFC Life International"), its first overseas branch located at Gujarat International Finance Tec (GIFT City) - IFSC, India. Since its launch, an array of innovative life and health insurance plans have been introduced to address the needs of global Indian's including NRIs, PIOs and resident Indians.

For the financial year 2023-24, HDFC International Life and Re's Gross Written Premiums (GWP) of USD 24.4 million registered a 42% y-o-y growth, which includes business from both reinsurance and direct insurance lines of business. For the period under review, HDFC International Life and Re reported a Net Profit of USD 0.33 million on a consolidated basis, including the GIFT city branch. Further, S&P Global Ratings assigned its "BBB" insurer financial strength rating to HDFC International Life and Re for the sixth consecutive year.

FY 2023-24 at a glance

<p>15.4% Private market share based on individual WRP</p>	<p>Ranked amongst the Top 3 life insurers across individual and group businesses</p>	
<p>₹ 63,076 crore Total premium</p>	<p>6.6 crore Lives insured</p>	
	<p>83 Products</p>	<p>₹ 13.3 lakh crore New Business Sum assured</p>
	<p>32,486 Employees</p>	<p>11.7 lakh Number of individual policies issued</p>
	<p>16.3 lakh Lives being touched through CSR initiatives</p>	<p>14 Out of 17 UN SDGs covered</p>



₹ 1,569 crore

Profit After Tax

₹ 3,501 crore

Value of New Business (VNB)



₹ 2.9 lakh crore

AUM
(as on March 31, 2024)

187%

Solvency margin

26.3%

New Business Margin (NBM)



17.5%

Return on Embedded Value

₹ 47,468 crore

Indian Embedded Value

87%

13M Persistency

99.7%

Overall claim settlement ratio



BUILDING FOR THE FUTURE

The last year has been a roller coaster with rising geopolitical conflicts, interest rate fluctuations and soaring inflation. The cumulative impact of this has been volatile global markets, reduced economic activity and job losses, especially in the technology sector. India, however, has stood strong through this tumultuous period, emerging as one of the more resilient economies globally.



The Indian Insurance Industry is at the cusp of transformational change leading to deepening penetration. This is driven by the regulator's vision of "Insurance for all by 2047". Multiple regulatory facilitations, evolving customer mindsets and technological changes has made the life insurance space one of continuous action and change.

Being one of the industry pioneers, we, at HDFC Life, continue to **build for the future** in the face of uncertainty in the macro-economic environment and emergence of multiple new players. To maintain our position of strength, we must continue to reinvent ourselves and look for opportunities in uncertainties.

Collaboration is a key element in building a future-ready life insurance company. We have continued to establish strategic partnerships to unlock new avenues for growth. Strengthening our proprietary channels, building alliances with distribution partners with specific focus on geography and customer segments will enable us to penetrate the market better.

We are leveraging our strengths to offer best-in-class customer experience (CX). Customers' needs are ever evolving and their interactions with brands have seen

exponential transformation. It is our belief that a good customer experience goes beyond just the product proposition or service touchpoints. A deep understanding about what motivates customers, how they perceive a brand, and their aspirations are paramount. We aspire to be a customer-centric organisation through simplified product communication, seamless journeys, and products designed by consumer research.

HDFC Life has embraced that adopting cutting-edge technology is paramount to building a robust future. Artificial Intelligence (AI) and data analytics will help revolutionise risk assessment, streamline underwriting processes, and enhance fraud detection. Technology provides a secure and transparent means for policy issuance and claims settlement, fostering trust among stakeholders.

As a future-ready life insurance company, we recognise that our success hinges on the capabilities and dedication of our workforce. Investing in ongoing training programmes, upskilling initiatives, and talent development not only ensures a competent workforce but also fosters a culture of innovation and adaptability.



From the desk of MD and CEO



We continue to be ranked amongst the top 3 life insurers across individual and group businesses. Our assets under management grew by 22% to ₹ 2.92 lakh crore.

Vibha Padalkar





Dear Shareholders,

I am delighted to share our performance for the financial year 2023-24. Our strategic focus on profitable growth, diversified distribution, customer-centricity and building a future-ready organisation has allowed us to navigate the challenging external environment.

Reflections

Through the last year, we witnessed numerous headwinds ranging from geopolitical conflicts to interest rate hikes aimed at keeping inflation under check. India's economy, however, has been resilient as ever with GDP growth forecasts being upgraded by various agencies in the recent past.

Our life insurance industry is witnessing multiple regulatory changes to protect customer's interest and facilitate ease of doing business. Overall, the life insurance growth potential remains intact, driven by low levels of insurance penetration, favourable demographics, growing life expectancy and improving financial literacy. The increasing need for retirement planning due to longer life expectancy and growing elderly dependency ratio has created a huge opportunity in the retirement space. We will focus on tapping this through innovative product offerings. Simultaneously, we will endeavour to reach out to a wider customer base through a diversified distribution network.

Our relationship with our promoter HDFC Bank continues to grow stronger and we look forward to deepen this bond going forward through improved collaboration, with the intent to create value for all stakeholders.

Business review

We closed the financial year 2023-24 on a strong note. Despite being adversely impacted due to taxation of maturity proceeds for higher value savings segment, our individual WRP remained steady at ₹ 11,376 crore. We continue to be ranked amongst the top 3 life insurers across individual and group businesses. Our assets under management grew by 22% to ₹ 2.92 lakh crore. We have noted a shift in retail customer's savings asset allocation trends in favour of equity investments, influenced by the recent buoyancy in equity markets.

We broadened our distribution network as the number of individual policies sourced clocked a healthy growth of 11%, over 9% for the private industry. We have covered close to 6.6 crore lives across our individual and group businesses. Growth from Tier 2 and 3 markets remain strong, witnessing growth of 13%, faster than the private insurance industry growth of 8%. These markets contributed close to two-thirds of the individual business for us.

We introduced Click 2 Achieve, our blockbuster product in the non-par savings category, distinguished by several pioneering features. This innovative plan empowers customers to create unlimited combinations, tailor their cash flows to align with their personal goals. It also provides the flexibility to grow survival benefits at a rate 1.5% higher than savings bank deposits. The product has been received well across channels and garnered premiums of over ₹ 700 crore within four months post launch.

We continued our focus on protection segment and introduced 2 new products in this category viz. HDFC Life Sanchay Legacy and Click 2 Protect (C2P) Elite. HDFC Life Sanchay Legacy is an industry-first whole life, return of premium protection plan with increasing life cover and is designed to cater to a middle-aged customer segment. Our other term product, C2P Elite, is specifically focussed on the affluent customer category. With increased focus on this segment, Individual protection business for the Company grew by 27% during the year and the protection share increased to 5% from 4% in the previous year.

Buoyant equity markets led to an increase in unit linked products mix to 35% in the individual segment (from 18% in the previous year). The product mix shift was essentially influenced by decline in high value savings segment post tax applicability on maturity proceeds announced in Union Budget 2023.

Profitable growth

New business premium (individual and group) grew by 2% and renewal collections growth held strong at 18% resulting in total premium growth of 10% for the year. New business margin for the year was 26.3%; with contraction in margins (previous year NBM was 27.6%), the Value of New Business decreased by 5% YoY to ₹ 3,501 crore. We generated operating return on embedded value of 17.5% for FY 2023-24. Profit after tax was ₹ 1,569 crore, at a YoY increase of 15%, supported by 18% growth in profit emergence from our back book.

Diversified distribution mix

We continue to invest in diversifying our distribution channels and signing new partnerships with traditional as well new age partners. In FY 2023-24, we signed up with Karnataka Bank and Karur Vysya Bank. We gained counter share at HDFC Bank, benefiting from a strengthened relationship, new product launches, technology-driven solutions and increased manpower support in their new branches. We are also happy to have extended our presence across bancassurance partners and expanded our sales strength in bank branches, whilst deepening collaboration via various initiatives, such as blockbuster products, bespoke training and on-ground engagement. These efforts are dedicated to amplifying customer value and experiences.

₹ 2.92 lakh crore

Assets Under Management



₹ 1,569 crore

Profit after tax



26.3%

New business margin



We added more than 80,000 agents (on gross basis) during FY 2023-24 as a part of our strategy to invest into building a robust Proprietary franchise. Our strategy to expand proprietary channel focuses on strengthening existing distribution network by expanding branches, attracting relevant distributor profiles and making consistent investments in technology and capability building

Our subsidiaries

The AUM of HDFC Pension Management Company has crossed ₹ 76,000 crore with a market share of 43% as on March 31, 2024.

HDFC International clocked revenues of USD 24.4 million, registering a growth of 42%. We now offer an array of US dollar denominated innovative life and health insurance plans launched from GIFT City to cater to the NRI diaspora.

Customer-first approach

Our endeavour has been to create superior product propositions and customer journeys through consistent innovation. In our quest to enhance customer experience, we undertook various initiatives to increase accessibility, simplify the buying journey and improve operational efficiency. We have launched "Insta Insure", a streamlined and innovative solution designed to onboard eligible customers of our partners with a pre-approved sum assured with minimal underwriting. It provides end-to-end straight-through journey for customers, reduced turnaround times (TATs) & faster issuance, and an adaptable frontend which is easy to integrate at any scale.

Additionally, we have incorporated facial recognition solutions for easier KYC verification and faster underwriting. Through "Instacheck" we are easing customer journey by document collection and eligibility check at the quote level itself.

Committed to be a responsible insurer

Based on the core principles of integrity, transparency and accountability, we have a robust Board Governance policy in place. We are committed to following the highest ethical standards in conducting business while adhering to all applicable laws and regulations.

We are happy to announce our recent accomplishments: being honoured with the prestigious Golden Peacock Award for Excellence in Corporate Governance in 2023 and achieving a Guinness World Records title through our



We have embarked on a large-scale technology transformation project called INSPIRE (INtelligent Systems and Platforms for Insurance REimagination). We continue to build out our new-age enterprise and data architecture to enhance our go-to-market capabilities and improve customer experience.

2023 'Insure India' initiative. This initiative was designed to heighten awareness about life insurance across the nation.

As a responsible corporate citizen, we continue to invest for the betterment of society, environment and our employees. Our CSR initiative, Swabhimaan, focusses on holistic living under key development areas - education and livelihood, healthcare and sanitation, and environmental sustainability. Further, we actively promote DEI within our organisation and our gender ratio stands at 27%. We have also been recognised amongst the top 100 Great Places to Work as well as amongst the top 100 Great Places to Work for Women.

Future-ready organisation

Technology is one of the most important levers in building a future-ready organisation. We have embarked on a large-scale technology transformation project called INSPIRE (INtelligent Systems and Platforms for Insurance REimagination). We continue to build out our new-age enterprise and data architecture to enhance our go-to-market capabilities and improve customer experience. Our focus remains on simplifying journeys across channels, fast tracking partner integrations, providing more personalised service, leveraging our data ecosystem for faster decision-making and leveraging our platforms for independent buying and policy servicing.

We are also working towards harnessing Gen AI capabilities across business processes, which is intended to help ingest

multiple documents and generate insights, provide secure and authenticated APIs to enable seamless integration with other applications, have a built-in library of prompts to assist users and have strict data security protocols.

Environmental, Social and Governance

Insurers embracing ESG principles gain strategic advantages, ensuring sustainable growth and resilience amidst evolving regulatory landscapes. With growing needs to finance sustainability solutions, including net-zero transitions, and societal concerns, more capital is urgently needed. Insurance firms, ranking as the second-largest cohort of asset owners after pension funds, are anticipated to wield significant influence in steering the shift towards a more sustainable economy. We, at HDFC Life, are actively developing a Carbon Neutrality strategy roadmap and aligning our climate-related disclosures with TCFD recommendations. Moreover, we embed ESG factors into our investment decisions, aligning with the UN-supported Principles for Responsible Investment.

In conclusion

As an organisation, we will continue to stay focussed on innovating products to cater to our diverse customer base. Technology and digital enablers will help drive improvement in customer experience.

As we prepare for the year ahead, I would like to take this opportunity to express my heartfelt gratitude to all our stakeholders. The Board has ably guided us through the years and as we bid farewell to our erstwhile chairman Mr. Deepak Parekh, we wish to express our gratitude to his leadership that guided us through business cycles with resilience. As Mr. Keki M. Mistry, who has been associated with the Company since the beginning, takes over the role of the Chairman of the Board, we look forward to charting new milestones.

I am excited for what the year ahead has to offer and I am certain that we will continue to build on all the good work we have done this year. The prospects for the industry growth are promising and we look forward to increasing insurance penetration across the country and creating value for all our stakeholders.

Vibha Padalkar

Managing Director & Chief Executive Officer

From the desk of ED and CFO



Our climate-related performance disclosures comply with TCFD recommendations. Social responsibility remains a priority, extending to our employees, customers, and the communities in which we operate. We strive to maintain a safe and inclusive work environment, promoting diversity and equal opportunities for all.

Niraj Shah

Dear Stakeholders,

We consider ESG principles fundamental to our business operations, driving sustainable growth and benefiting all stakeholders. Our dedication to ESG is integral to our long-term sustainability strategy. We have achieved an 'A' rating from MSCI, a score of 40 from S&P Global, and a rating of 20.8 from Sustainalytics.

We recognise the importance of environmental stewardship and are committed to reducing our ecological footprint through various initiatives. We conduct thorough assessments of our greenhouse gas emissions, including Scope 1, 2, and limited Scope 3 emissions.

Our climate-related performance disclosures comply with TCFD recommendations. Social responsibility remains a priority, extending to our employees, customers, and the communities in which we operate. We strive to maintain a safe and inclusive work environment, promoting diversity and equal opportunities for all.

Our efforts to address gender bias have increased women's representation across various levels, currently standing at 26.9%.

We engage with local communities through various CSR initiatives, including employee volunteering programmes and partnerships that address specific needs.

High standards of corporate governance underpin our business. We are committed to transparency, accountability, and ethical conduct at all levels. Our Board of Directors, comprising individuals with diverse expertise, ensures a balanced approach to decision-making. We have robust risk management frameworks, compliance procedures, and internal controls in place to safeguard stakeholders' interests.

Looking Ahead:

We believe that companies with strong governance practices, investment in human resources, commitment to societal welfare, and environmental preservation will thrive in the future. Such companies will face fewer risks, incur lower costs, and generate substantial long-term returns.

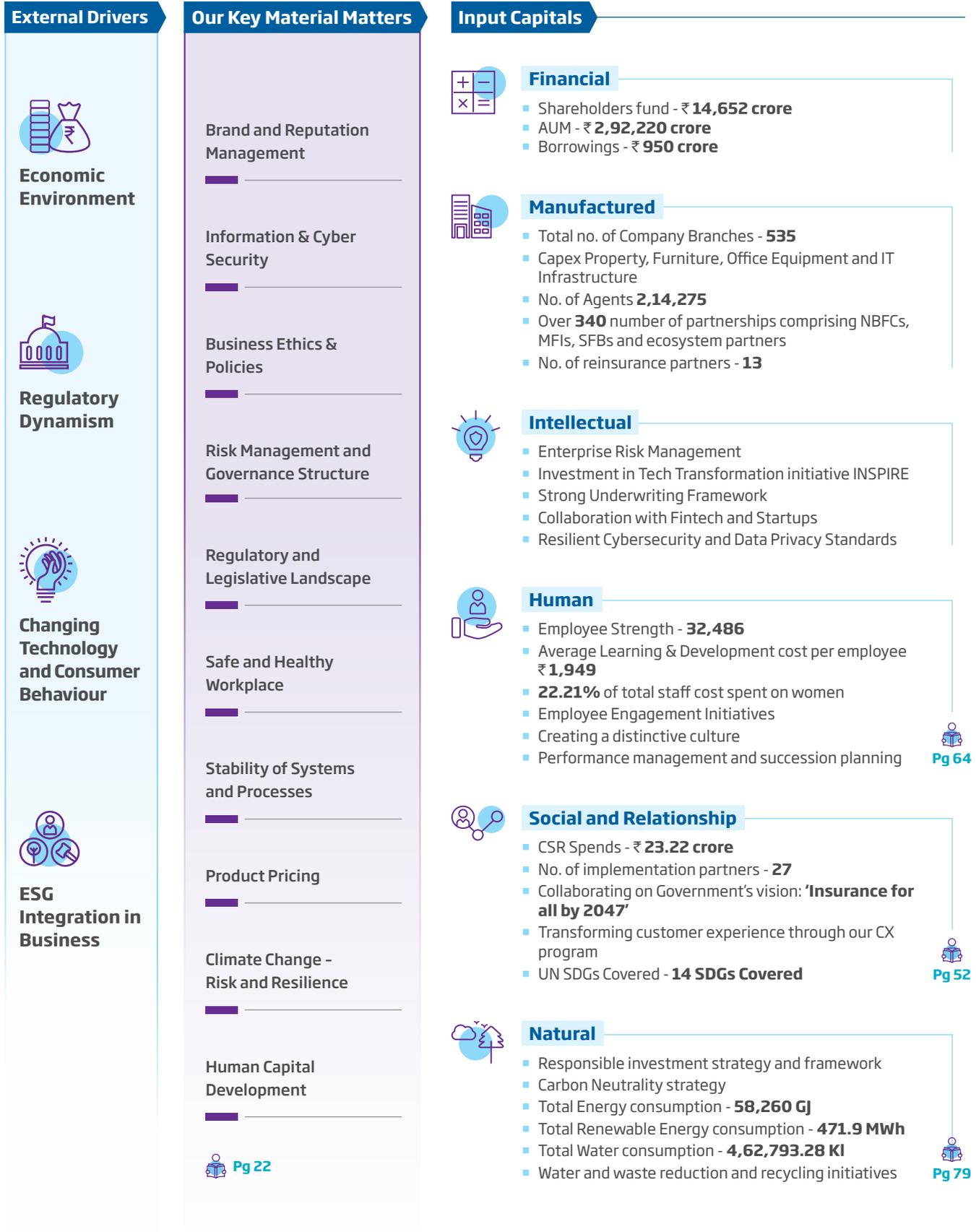
We remain dedicated to integrating ESG considerations into our business operations, decision-making processes, and long-term strategy. By focusing on innovation, collaboration, and stakeholder engagement, we aim to contribute meaningfully to a sustainable future. We appreciate the ongoing support and trust of our stakeholders as we address these ESG challenges. Your partnership is crucial in pursuing our vision of responsible and impactful business practices. We look forward to updating you on our progress.

Niraj Shah

Executive Director & Chief Financial Officer



Our Value Creation Model



Growth Outlook Continuous Long-term Savings Increased Protection Penetration Growth in Retirement Segment

Elements of Value Creation

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"**.

Building for the Future

Agile Architecture

Best-in-Class Customer Experience

Values

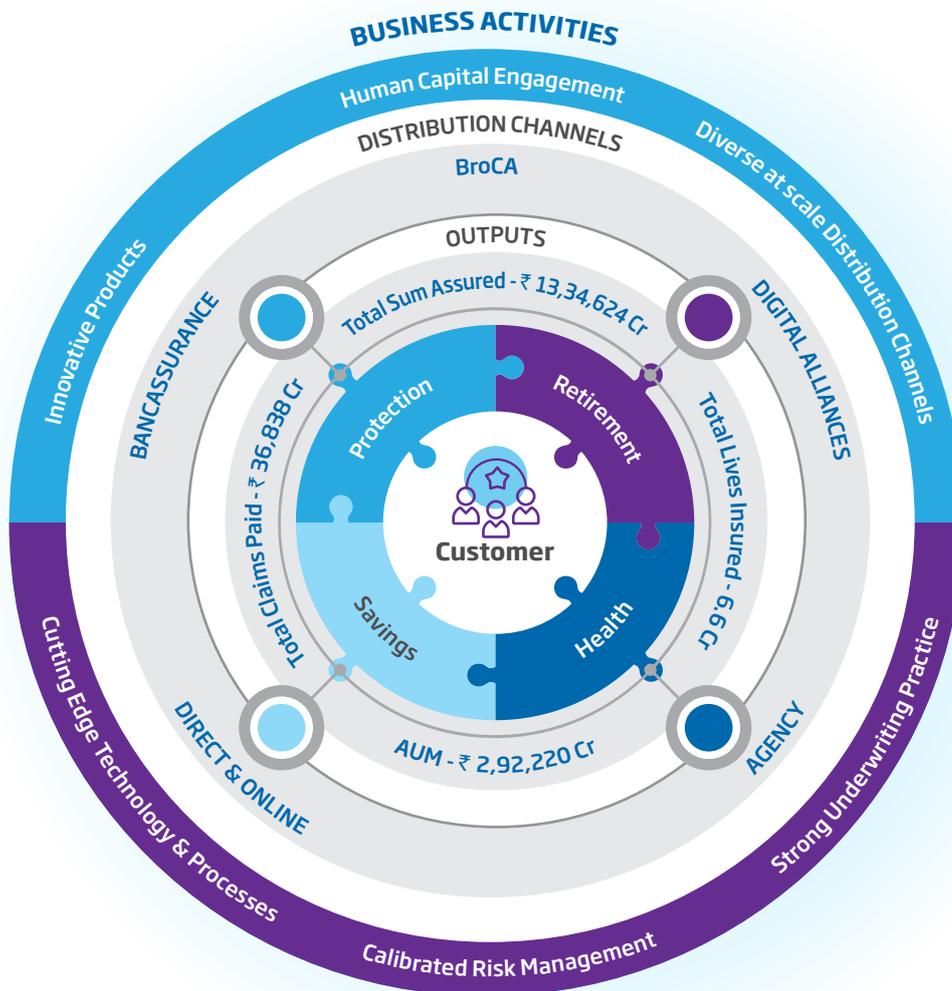
Excellence

People Engagement

Integrity

Customer Centricity

Collaboration



Strategic Pillars

Profitable growth

Diversified distribution mix

Customer Centricity

Risk management and Board governance

Future-ready organisation

ESG Pillars

Ethical Conduct and Governance

Responsible Investment

Diversity, Equity & Inclusion

Holistic Living

Sustainable Operations



Outcomes

Financial

- Embedded Value - ₹ **47,468 crore**
- Profit after tax - ₹ **1,569 crore**
- Value of New Business - ₹ **3,501 crore**
- Total Premium - ₹ **63,076 crore**
- New Business Premium - ₹ **29,631 crore**
- Return on Equity - **11.5%**
- Embedded Value Operating Profit - **17.5%**
- Solvency Ratio - **187%**
- New Business Margin - **26.3%**
- Dividend paid - ₹ **430 crore**



Manufactured

- No. of Lives covered: **6.6 crores**
- No. of Products: Individual - **65** | Group - **18**
- The 13th month LP/RP persistency for FY'24 is **87.1%**
- Organic website traffic generated - **1,09,79,617 visits**



Intellectual

- Number of customer applications submitted in InstaFR - **40,05,371**
- 11,56,062 lakh** E-mails Processed by SPOK Bot
- Total number of quotes generated - **29,23,418**
- 99,35,684 lakh** Queries handled by InstaA



Human

- Diversity - **26.9%** women
- Great Place To Work recognition, India's best places to work at in FY 2023-24 - **Top 10**
- STEM role - **31.4%** women of the total STEM positions
- Avg. Training hours per employee - **71.74 hrs**
- Employee Satisfaction Score - **85%**



Social and Relationship

- Rural and Social sector policies - **2,75,475 & 74,86,026**
- CSR beneficiaries - **16.32 lakh**
- Customer Satisfaction Score - **90.9%**
- No. of jobs created in small towns (Rural & Semi-urban) - **4,006**
- Claim Settlement Ratio - **99.7%**
- S&P DJSI Score - **40**
- MSCI Rating - **A**



Natural

- No. of saplings planted as part of CSR programmes - **1,12,094**
- Sustainable Equity Fund (Market Value) - ₹ **20.29 Crore**
- GHG emission (scope 1,2 & 3) - **17,495.38 tCO₂e**
- DEMAT new business - **30%**
- Miyawaki City Forests FY 2023-24 - **5**
- 5.3 tonnes** of e-waste, **6.5 tonnes** of paper waste, **0.1 tonnes** of plastic waste recycled/disposed in an environmentally controlled manner



Best-in-Class Stakeholder Experience

Customers

Insurance for customers results in protection from loss of income due to illness, retirement and death. Our competitive digital solutions ensure data security, optimise journeys, offer personalised product suite and maintain proactive communication.



Shareholders/ Investors

Implementing top-tier risk management practices to protect investments and ensure stability in returns.



Regulator/ Government

Taxes paid, regulatory compliance, and support in government initiatives of insurance awareness & CSR foster value.



Employees

Employees gain value from compensation, benefits, and skill-building opportunities.



Partners (Distributors/Agents)

Facilitating partner onboarding, simplifying journeys, and enhancing customer servicing sustains trusting partner relations.



Communities

Enhancing community experience through environmental initiatives, engagement, supporting the Nation's UN SDG commitments, and by offering inclusive insurance solutions.



Reinsurer

Streamlining processes, fostering transparency, and enhancing communication with reinsurer partners strengthens our risk partner reliance.



Legends

STEM - Science, Technology, Engineering & Mathematics

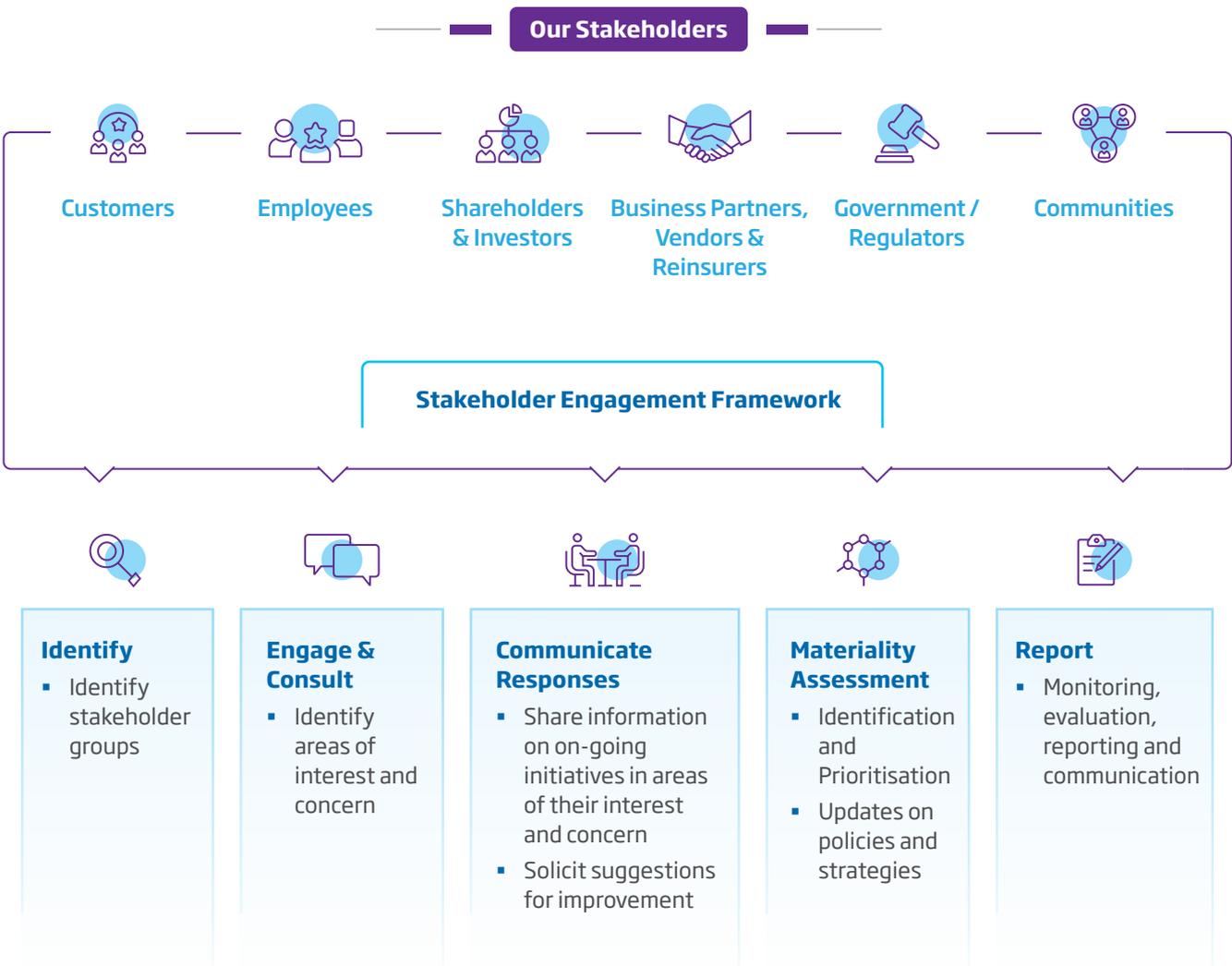
AUM - Assets Under Management

- Operational risk
- Compliance and regulatory risk
- Insurance risk
- Subsidiary-related risk
- Technological, Business Continuity and Privacy risk
- Strategy and planning risk
- Financial risk
- Emerging risk
- Fraud risk

Stakeholder Engagement

As we navigate the complexities of a dynamic business environment, fostering enduring stakeholder relationships is vital for success. At HDFC Life, we emphasise open dialogue and collaboration. Leveraging our expertise in risk management, we aim to create value and contribute to the well-being and growth of our stakeholders.

Our engagement plan starts with identifying stakeholders through discussions with senior management, specialists and partners. We actively involve diverse stakeholders like customers, employees and communities, prioritising their interests by understanding their perspectives and aligning our practices with their expectations. Their feedback helps us gauge our impact on the economy, environment and people which in turn shapes our products, community efforts and risk strategies. We use various communication channels and adjust engagement frequency based on availability and potential impact. Regular dialogue ensures that our business aligns with stakeholder expectations, crucial for a mutually beneficial path forward for HDFC Life and its stakeholders.





Key expectations

How do we deliver value

Modes of engagement



Customers

Our extensive network of 535 physical branches, supported by more than 300 distribution partners, cater to over 6.6 crore of our valued customers, ensuring a seamless experience. With a dedicated team of 2,14,275 agents, we consistently meet our customers' needs with efficiency and care. We are proud to uphold a customer satisfaction score of 90.9%, reflecting our commitment to excellence.

Frequency

Continuous

- Need-based and innovative products
- Simplified, short and quick policy purchase journey
- Data security and privacy
- Hassle-free service and best-in-class customer experience
- Easy and quick settlement of claims and maturity payouts
- Ethical business practices
- Policy benefits in line with product nomenclature

- Innovating products based on customer feedback
- Simplifying buying journey
- Promoting self-service options for customers
- Improving operational efficiency via technology - automation with effective use of data analytics, information repositories, integrations to facilitate seamless experience
- Understanding customer segments, broadening of physical/digital touch points ensuring accessibility to the customer at all points in time
- Fostering a customer-centric culture and investment in learning and development for a skilled, able and empowered workforce
- Upholding strict ethical standards and promoting ethical conduct

Digital Mode:

- Corporate website
- Online communication via e-mails and social media platforms

Retail:

- Feedback through surveys
- Customer service touchpoints including branches and call centres
- Missed call services with helpline services as and when required
- Partner offices, our insurance agents and employees at HDFC Life

Corporate:

- One-on-one meetings
- Video calls and conferences



Employees

At HDFC Life, we prioritise equal opportunities for all. Women account for 26.9% of our workforce. We take pride in being recognised as "Great Place to Work" for the 14th time, underscoring our dedication to creating a supportive and fulfilling workplace culture.

Frequency

Continuous

- Growth opportunities
- Competitive compensation
- Ongoing training and skill development
- Psychological and physical wellbeing
- Stimulating work environment
- Commitment to equity and inclusion

- Fostering equitable, transparent, and timely performance evaluations to support employee goals
- Leveraging modern technology like personalised learning apps and self-service platforms to boost employee satisfaction
- Adopting a holistic wellness strategy covering both physical and mental health
- Cultivating a talent pipeline through strategic succession planning for key positions
- Introducing tailored initiatives and policies to foster inclusivity in the workplace
- Promoting awareness of ESG goals
- Industry best practices in terms of compensation

- **Annual survey:** To identify areas of strength and improvement
- **L&D opportunities:** Access to learning modules covering wide range of topics including insurance, data science, team work and management, leadership skills etc.
- **Continuous feedback:** Ongoing performance reviews
- **Engagement initiatives:** Prioritise wellbeing and support
- **Two-way communication:** Open dialogue via town halls and connect sessions
- **Values reinforcement sessions:** Align with organisational culture for teamwork

Key expectations

How do we deliver value

Modes of engagement



Shareholders and Investors

We remain steadfast in our commitment to creating enduring value for our extensive investor network, spanning over 8 lakh individuals. Our consistent business performance is a result of our innovative strategic approach and robust risk management.

Frequency

Continuous

- Sustainable performance
- Clearly defined business strategy
- Outpacing industry growth
- Increased customer penetration
- Diversified business
- Robust risk management
- Oversight of ESG concerns
- Transparency in disclosures

- By delivering consistent and predictable performance across business cycles
- Diversifying distribution and balanced product mix
- Focus on improving operational efficiency and having a calibrated risk management approach
- Integrating ESG principles in our day-to-day business activities

- Annual General Meeting (AGM)
- Quarterly earnings call
- Annual reports, public disclosures, and investor presentations
- Investor conferences and meetings
- Press releases and notices in newspapers
- Stock exchange announcements
- Communication via email



Business Partners, Vendors and Reinsurers

Our network of business partners, vendors, and reinsurers forms the backbone of our distribution and operations. By seamless collaboration with these partners, we unlock greater achievements, navigate challenges with ease, and are able to deliver on our promise of providing financial protection, a cornerstone for a secure society.

Frequency

Continuous / Periodic

- Goal setting: Collaborate with business partners, vendors and reinsurers to clearly define mutually beneficial goals
- Collaborate with partners to identify target customer segment and right product fit
- Tech enabled journeys
- Offering compelling products and value propositions
- Regular updates on key performance metrics
- Streamlining business interactions for increasing efficiency and ensuring robust data security measures
- Adhering to agreed-upon payment schedules on timely basis
- Promote knowledge exchange through joint training programmes, workshops, and information sharing sessions

- Launching innovative products
- Utilising cutting-edge digital capabilities to seamlessly integrate partners and vendors
- Publishing regular business updates
- Implementing clear and robust information and cyber security protocols
- Ensuring timely payment for services
- Work with reinsurers to develop and implement comprehensive risk management strategies. This helps mitigate shared risks

- Monthly/quarterly/annual reviews
- Contracts, e-mails, newsletters, calls, in-person & virtual interactions
- Periodic surveys



Key expectations

How do we deliver value

Modes of engagement



Government/Regulators

We maintain the integrity of our operations by adhering to legal and ethical standards, thereby earning and preserving the trust of our stakeholders. This dedication to transparency and accountability serves as the cornerstone of our relationships, fostering enduring partnerships built on mutual respect and confidence.

Frequency

Continuous

- Sound corporate governance: fair dealings, conduct, transparency, and timely disclosures
- Adherence to extant regulation and legal compliance
- Voluntary and mandatory ESG/sustainability disclosures
- Effective and efficient management of regulatory changes
- Transparent and open operations
- Contribution to insurance industry development

- Integrating ESG disclosures into the Business Responsibility Sustainability Reporting (BRSR) framework
- Engaging constantly with regulator and associated government departments for deliberating on topical industry matters
- Establishing a governance and risk management framework in line with Task Force on Climate-related Financial Disclosures (TCFD) guidelines
- Proactively promoting awareness regarding the significance of insurance measures

- Timely submissions, regulatory engagements, and correspondence
- Routine participation in meetings, seminars, and industry forums
- Adherence to regulatory mandates, notifications, and guidelines
- Issuance of corporate announcements
- Reporting



Communities

We delivered 29 projects under our CSR program, touching the lives of over 16.32 Lakh beneficiaries. Our objective is to foster long-term positive transformation within communities, empowering them and facilitating their inclusion into mainstream society.

Frequency

Continuous

- Engage in various social causes like education, healthcare, livelihood & environmental sustainability
- Foster community development and growth initiatives
- Encourage employee participation and volunteering
- Strive for alignment with the UN Sustainable Development Goals (SDGs) for 2030

- Integrate eco-friendly strategies into business operations
- Engage communities and marginalised groups through focussed initiatives
- Improve insurance accessibility in rural areas by sourcing locally
- Partner with vendors employing disadvantaged and rural workers
- Integrate ESG principles into CSR endeavors
- Establish a clear ESG agenda to embed sustainability into operations
- Provide volunteering opportunities for employees
- Align efforts with and contribute to SDGs

- CSR partnership execution for social development projects
- Disclosing CSR-related activities
- Monitoring, evaluating, and gathering feedback on CSR initiatives
- Third party impact assessment of CSR project to ensure quality

Materiality Assessment Process

The materiality assessment conducted in the fiscal year 2022-23, following the GRI Universal Standards 2021, underscores our commitment to understanding and addressing the impacts of our operations, services, and products. Through engagement with internal and external stakeholders, we identified and evaluated 33 material topics, reflecting a comprehensive approach to sustainability. After careful analysis and review by senior management, these topics were refined into 17 critical focus areas. Further, in FY 2023-24 we refreshed our material topics through an internal assessment to ensure the continued relevance and alignment of the topics with our priorities and the sustainability landscape. Moving forward, we continue to actively consider our commitments, ensuring that our strategies are aligned with the identified material matters, thus reinforcing our dedication to creating value for stakeholders across different time horizons and ensuring the sustainable growth of our business.





Material Topic	Description	Capitals Impacted	Stakeholders Impacted	Strategic Pillars Affected	GRI Aspects
Brand and Reputation Management	As a leading player in the industry, preserving and enhancing our brand value is crucial to ensuring sustained success in the future. Our enduring relationships with customers come with the responsibility of addressing claims, even years after the policy purchase. This highlights the need for us to build and nurture a reputation that strongly connects with our customers. Therefore, our organisation places exceptional emphasis on our brand and reputation, which significantly influences our strategic initiatives and reinforces our commitment to excellence.	 		SP3, ESG P1	GRI 2: General Disclosures GRI 417: Marketing and Labelling
Information & Cyber Security	Our information security policy is well-defined and encompasses cybersecurity measures, to guarantee the protection of all information assets. This is achieved by implementing thorough management processes across the organisation. In accordance with the recommendations of the IRDAI, we have integrated Business Continuity Planning (BCP) with Information & Cyber Security. BCP conducts a business impact analysis (BIA) when assessing processes, evaluating the impact on services, both customer-related and financial/non-financial, in line with regulatory requirements. The Company employs various data privacy and protection solutions to ensure that the data of its customers, employees, vendors and other stakeholders is appropriately managed throughout its life cycle.	 	 	SP4, SP5	GRI 201: Economic Performance GRI 418: Customer Privacy
Business Ethics & Policies	Upholding ethical business practices is a top priority for us, and we are committed to efficiently handling both the associated risks and opportunities it entails. This commitment encompasses addressing issues such as fraud, corruption, bribery, facilitation payments, fiduciary responsibilities, and any other behaviours that may have ethical implications. Our Code of Ethics and Conduct, reflecting our company's core values, demonstrates our commitment to upholding ethical standards throughout our operations.	 	 	SP4, ESG P1	GRI 204: Procurement Practices GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour GRI 207: Tax GRI 415: Public Policy

Material Topic	Description	Capitals Impacted	Stakeholders Impacted	Strategic Pillars Affected	GRI Aspects
Governance Structure and Risk Management	<p>Our governance structure and risk management ensure an ethical and resilient foundation for our company's growth and success.</p> <p>Our corporate governance philosophy is rooted in the principles of integrity, transparency, accountability, and responsible corporate conduct. By adhering to these principles, we aim to boost investor confidence and create lasting value for all stakeholders, while reinforcing our core values and principles throughout all business activities.</p> <p>The core focus in risk management is to proactively identify, assess, and mitigate the risks encountered by our company. We adopt a vigilant stance, consistently monitoring both current and emerging risks. By conducting thorough assessments of their potential impact, we strive to be well-prepared for protection against any losses or operational disruptions. As part of our risk management strategy, we proactively identify and leverage opportunities that emerge from risks, leading to favourable outcomes for our organisation.</p>			SP4	<p>GRI 2: General Disclosures</p> <p>GRI 201: Economic Performance</p>
Regulatory and Legislative Landscape	<p>As a regulated business entity, our company places significant importance on adhering to regulatory norms and staying informed about evolving regulations. We recognise that any negative shifts in the corporate tax landscape can potentially affect organisation's net profits and overall valuation. Moreover, we acknowledge that unfavourable changes in the personal tax regime can directly influence consumer demand for insurance and savings products, impacting our revenues and profitability. Through vigilant monitoring and adaptation to these regulatory dynamics, we aim to ensure compliance, mitigate potential risks, and maintain our financial strength in an ever-changing business environment.</p>			SP1, SP4	<p>GRI 2: General Disclosures</p> <p>GRI 205: Anti-corruption</p> <p>GRI 207: Tax</p> <p>GRI 415: Public Policy</p>



Material Topic	Description	Capitals Impacted	Stakeholders Impacted	Strategic Pillars Affected	GRI Aspects
Safe and Healthy Workplace	We are committed to creating a workplace that fosters a culture centered on safety, diversity, equity, and inclusion. Our priority is to protect our employees from potential hazards by integrating the highest safety standards in both our offices and branches. By implementing robust safety protocols, conducting regular risk assessments, and providing comprehensive training, we aim to reduce risks and enhance the physical and mental wellbeing of our valued employees. Our DEI policy allows all employees to bring their authentic selves to work, contributing fully with their skills, experience, and perspectives. This inclusive environment not only promotes wellbeing but also creates unmatched value for all stakeholders.	 		ESG P4	GRI 2: General Disclosures GRI 403: Occupational Health and Safety
Stability of Systems and Processes	We strive to ensure the reliability and consistency of our core systems, infrastructure, and operational processes to maintain a stable environment and minimise disruptions to our business operations ensuring quality services for our customers.	 	 	SP5	GRI 2: General Disclosures GRI 201: Economic Performance GRI 203: Indirect Economic Impacts
Product Pricing	The pricing of a product has a direct impact on an organisation's financial sustainability, customer affordability, and its policyholder obligations. A proper pricing strategy considers various factors and employs fair and transparent practices to mitigate potential financial and reputational risks. Our goal is to have a fair and transparent pricing which safeguards customer interests, avoids an adverse financial impact, and which upholds a trustworthy image.	 		SP1, SP3	GRI 203: Indirect Economic Impacts
Climate change - Risk and Resilience	Promoting business sustainability and reducing environmental impact are pivotal for organisations. Managing environmental risks, particularly those related to climate change, is crucial for long-term sustainability and mitigating reputational risks. We implement and regularly review a comprehensive framework to manage climate change risks and opportunities effectively. This strategy decreases resource consumption, minimises carbon footprint, and facilitates ongoing improvement in environmental performance, fostering a more sustainable future.	 		SP4, ESG P5	GRI 201: Economic Performance GRI 305: Emissions

Material Topic	Description	Capitals Impacted	Stakeholders Impacted	Strategic Pillars Affected	GRI Aspects
Responsible Investment	Embracing responsible investment enhances brand reputation and attracts socially conscious investors. We integrate ESG factors into our research and investment decision-making process, while furthering the goals of UN-supported Principles for Responsible Investment (UN-PR). As a responsible investor with an AUM of AUM of ₹ 2.92 lakh Crore, we encourage our investee companies to incorporate ESG practices in their policies, processes and operations through greater accountability and transparency	 	 	ESG P2	GRI 201: Economic Performance
Human Capital Development	The topic entails nurturing and developing the skills, knowledge, capabilities, and wellbeing of a company's workforce. It encompasses initiatives and practices designed to attract, retain, and engage employees, fostering a culture of continuous learning, and promoting diversity, equity, and inclusion. On recognising the value of human capital as a crucial asset, the Company invests in employee training to enhance job performance, encourage professional growth, and support employee wellbeing programs. These comprehensive training programs provide employees with the necessary skills and knowledge to meet customer needs, adapt to industry changes, and contribute to our strategic goals. Furthermore, they align job opportunities with strategic business objectives through continuous learning, performance management processes, and talent transformation programs.	 		ESG P3, ESG P4	GRI 2: General Disclosures GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 410: Security Practices
Promoting Responsible Behaviour / Human Rights / Code of Conduct	Demonstrating respect for human rights is a fundamental ask for a responsible business, both within and beyond our immediate operations. This expectation is mirrored in the evolving legislative landscape and is applied comprehensively across all our activities. We have implemented a dedicated grievance redressal mechanism to address human rights risks and empower our workforce.	 	 	ESG P1, ESG P4	GRI 205: Anti-corruption GRI 204: Procurement Practices GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 410: Security Practices GRI 411: Rights of Indigenous Peoples GRI 413: Local Communities



Material Topic	Description	Capitals Impacted	Stakeholders Impacted	Strategic Pillars Affected	GRI Aspects
Customer Centricity	Our strategic emphasis revolves around centring the customer in business decisions, processes, and offerings. This involves comprehending our customer needs, preferences, and expectations and aligning our products, services, and experiences accordingly. Our customer-centric approach entails actively listening to customer feedback, offering need-based solutions, delivering high-quality service, and fostering long-term relationships. Through prioritising customer centricity, our goal is to elevate customer satisfaction, loyalty, and retention rate.			SP3, ESG P4	GRI 206: Anti-competitive behaviour GRI 416: Customer Health and Safety GRI 417: Marketing and Labelling GRI 418: Customer Privacy
Fulfilling our Corporate Social Responsibility (CSR)	Our CSR interventions are developed and executed with a targeted approach aimed at maximising impact on beneficiaries. These initiatives are conducted either in collaboration with reputed agencies or directly managed by project management teams.	 	 	ESG P4	GRI 203: Indirect Economic Impacts GRI 413: Local Communities
Third party Vendor Management and Growing Dependency on Third Party Vendors	We partner with many third-party business partners/vendors for effective delivery of sales/services and various other needs within the ambit of regulatory guidelines. The risks associated with such partners can significantly affect our operations, reputation, and financial standing. All third-party vendors undergo appropriate level of scrutiny before being onboarded.	 		SP1, SP2, SP3	GRI 204: Procurement Practices
Performance Management & Compensation Policy & Practice	We provide comprehensive performance feedback to all employees annually, while our frontline sales staff and senior management receive feedback biannually. This system ensures prompt adjustments in employee performance at both operational and strategic levels. A clearly outlined compensation and benefits system helps to attract, motivate, and retain deserving employees for the achievement of organisational objectives. We provide a fair and equitable compensation based on an individuals' role, skill, experience, and performance, in a way that balances the needs of all stakeholders.	 		ESG P4	GRI 201: Economic Performance GRI 401: Employment GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination
External Risks and Factors	These encompass risks and factors originating externally beyond an organisation's direct influence, yet with the potential to significantly affect our operations, reputation, or value chain. Such factors may include geopolitical shifts, regulatory modifications, market volatility, technological progressions, natural calamities, societal shifts, and stakeholder anticipations. Various mitigation options are deliberated by senior management to prevent or reduce the impact of such risks. Since the timing of the risks is uncertain, the Company's aim is to focus on key risks and allocate required resources. These risks along with the mitigation plans also form part of the ESG framework.	 	 	SP4	GRI 2: General Disclosures 2021 GRI 201: Economic Performance GRI 203: Indirect Economic Impacts

ESG at a Glance

At HDFC Life, our commitment to ESG principles is rooted in our vision as a responsible life insurer. We believe in spearheading a sharper, more focused, and impactful ESG programme to enhance value for all stakeholders and the broader community. Our approach addresses key material issues and integrates ESG considerations into our organisational strategy and operational framework.





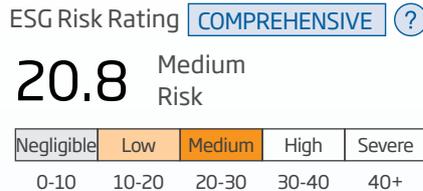
Our ESG philosophy is further articulated through the



5 pillars of ESG



Our efforts are reflected in our robust ESG ratings and scores across indexes.



Our rating in MSCI ESG Rating assessments improved to an impressive A (on a scale of AAA-CCC)

Evaluated by Sustainalytics, HDFC Life Insurance Limited continues to hold a medium risk of facing significant financial impact due to ESG factors, with a comprehensive ESG risk rating of 20.8.

Our company achieved a score of 40 in the 2023 S&P Global ESG Score, reflecting our commitment to align with our sustainability focussed consumer base.

Our organisation is firmly committed to upholding robust ESG principles throughout our operations. We prioritise conducting business with integrity and maintaining transparent governance practices. Focussing on responsible investment, we meticulously consider environmental, social, and governance factors while making investment decisions. Creating a diverse and inclusive work environment is paramount to us, ensuring that all individuals are valued and are provided with equal opportunities.

Within our holistic living approach, we aim to deliver value to all stakeholders, including our customers and the broader community. Sustainable operations are a top priority, guiding us to minimise our environmental footprint and responsibly manage resources throughout our supply chain. By embracing these comprehensive ESG principles, we strive to create long-term value for our stakeholders and contribute to a more sustainable and equitable future.

ESG P1 Ethical Conduct and Governance

Objective

To adhere to the highest standards of ethical and sustainable business conduct to create value for all our stakeholders. This aligns with and is included in the Company's strategic pillar of Risk Management and Board Governance.

How we do it

- We have instituted effective policies and frameworks to foster a culture of ethical conduct, transparency, and accountability.
- We have also constituted a disciplinary panel to address malpractices, which reports to the Board.
- We have formulated a governance structure for the effective implementation, monitoring, and oversight of ESG issues within the organisation.

What we achieved

- Last year, we implemented board oversight for ESG. This year, our CSR and ESG committee met biannually, and ESG Management Committee met thrice to take stock of ESG progress. Advancing on our material issues, we launched our new Environment and Climate Change policy and Health and Safety Policy.

- HDFC Life's Environment and Climate Change policy, overseen by its ESG Management Committee led by the ED & CFO, aims to manage environmental impacts and guide employees towards responsible practices, while ensuring policy implementation and relevance.
- We have won the coveted Platinum at the LACP Vision Awards FY 2022-23 for our Integrated Report

What's next

- In the upcoming year, our goal is to enhance our ESG disclosures and practices.

Capitals Impacted



ESG P2 Responsible Investment

Objective

To generate optimal risk-adjusted returns over the long term through consideration of environmental, social, and governance factors in investment decisions.

How we do it

- We have developed an ESG scoring methodology based on a comprehensive framework encompassing key parameters. All investment decisions factor in the scores thus generated.
- We have put in place a robust governance framework and structure overseen by the ESG Governance Committee with policy adherence and regular review ensured by the Chief Investment Officer.
- We consistently seek to align with global best practices as well as commit to frameworks such as the UNPRI to ensure adherence with the highest standards.

What we achieved

- Our 'Sustainable Equity Fund' which provides a dedicated avenue for conscious investors grew by more than 50% in FY 2023-24
- At HDFC Life, we prioritise practicing responsible stewardship. During the year we actively engaged with 33 investee companies to integrate ESG factors in business and operations.

- We've seamlessly integrated ESG factors into our research and investment decision-making processes, leveraging an in-house scoring methodology. We have also subscribed to an external ESG rating provider for top 250 companies by AUM
- Under-scoring our commitment to responsible investment practices, we have voluntarily prepared and submitted our first UN PRI report for FY 2022-23.

What's next

- In the coming year, our goal is to enhance our involvement with investee companies, aiming to improve their ESG risk management and business practices.
- We also seek to increase adoption and reporting under the Responsible Investment (RI) principles.

Capitals Impacted





ESG P3 Diversity, Equity and Inclusion (DEI)

Objective

To establish an inclusive culture that celebrates diversity and is free from discrimination of all forms.

How we do it

- We have constituted the 'Celebrate You' programme which ingrains our DEI philosophy across policies, communication, leadership development, and workforce culture.
- The DEI agenda is driven from the top through the DEI council chaired by the MD & CEO with regional and zonal chapters implementing the initiatives on ground.
- Our diverse hiring programmes, gender-neutral policies, and flexibility in work enable us to action the DEI vision.
- Through our Emotional and Mental Wellbeing Policy and Health and Safety Policy, we prioritise the wellness and safety of our workforce, embodying inclusivity as an integral part of our organisational culture.

What we achieved

- 26.9 % of our workforce are women, and we have been recognised as the Best Organisation for Women 2024 by Economic Times, ranked amongst the 100 Best Companies for Women in India 2023 by Avtar and termed the Exemplar of Inclusion 2023 by Seramount.

- As a testimony of our endeavour to create an inclusive culture, be the employer of choice and invest for the betterment of our workforce, we were featured amongst India's Best Workplaces for Millennials 2023 and Asia's Best Workplaces by 'Great Place to Work.'
- We conducted training sessions on terminology and best practices of LGBTQ+ community which were attended by 270 of our ERG members.

What's next

- While we have embarked on our journey to address the challenges faced by our LGBTQ+ colleagues, we aim to further strengthen the inclusive culture by revamping our policies and wellness programmes to make them more gender neutral.
- With the launch of our employee resource groups led by senior leaders, we aim to drive the inclusive agenda beyond HR into a company-wide effort.

Capitals Impacted



ESG P4 Holistic Living

Objective

To create holistic and sustainable value for all our stakeholders

How we do it

- Our focus on the enhancing customer experience by simplifying journeys and leveraging technologies continues through the ongoing CX transformation programme. In our pursuit to promote financial inclusion, we have designed tailored offerings for the economically weaker sections of the society.
- Through our 'Swabhimaan' programmes aligned with the National Agenda, we have launched targeted CSR initiatives designed to generate maximum impact for the community focussed on education and livelihood, healthcare and sanitation, environmental sustainability and financial literacy awareness.

What we achieved

- We achieved a score of 90.9% during FY 2023-24 in our customer satisfaction survey and were top ranked amongst our industry peers in Customer Experience NPS study conducted by Kantar.

- We insured 275,475 rural lives and 74,86,026 social lives.
- Through Swabhimaan, this year we executed 29 programmes impacting over 16.32 Lakh beneficiaries. Our endeavors covered 14 out of 17 SDGs positively.

What's next

- Through our CX programme, we aim to deliver customer delight through seamless journeys, simplified communication, and effective product propositions.
- We also aim to widen our impact on the nation's financial inclusion agenda through tailored product designs and contribute to sustainable development goals through CSR programmes.

Capitals Impacted



ESG P5 Sustainable Operations

Objective

To reduce the environmental footprint of our operations and contribute towards building a better future for our people and planet.

How we do it

- We stand firm on our commitment to climate action, and we continue to progress on our journey to decarbonisation as per our defined pathway. Initiatives to enhance efficiency and minimise energy and water usage are underway.
- We continue to embrace digitisation to minimise waste and streamline processes. We have also undertaken waste management initiatives to foster circularity and sustainability.
- To govern ESG integration in our operations, this year, we established our Environment and Climate Change policy which oversees environmental impact management and promotes responsible practices amongst our employees.

What we achieved

- We have purchased 471.9 MWh of renewable energy in FY 2023-24.
- In our pursuit to promote circularity within our operations, we recycled/disposed off 5.3 tonnes of

E-waste, 6.5 tonnes of Paper waste, and 0.1 tonnes of Plastic waste.

- In FY 2023-24, our water consumption remained at 4,62,793.28 kiloliters, while we replaced bottled water consumption with installation of new water purifiers at our offices.

What's next

- Our aim is to decrease our GHG emissions by slowly transitioning to more renewable energy sources, which involves steadily boosting the proportion of renewable energy in our total energy usage.
- In the coming year, we also intend to streamline our strategies and risk management processes to incorporate climate-related risks.

Capitals Impacted





Corporate Governance

HDFC Life is dedicated to upholding the highest standards of governance, which are crucial for consistent value creation and safeguarding the interests of our stakeholders. We recognise the critical role of good governance in enhancing transparency and accountability, thereby strengthening customer confidence and our long-term sustainability.

Embedded within our strategic pillars, our commitment to governance excellence is both an ethical and strategic imperative. Built on core principles of integrity, transparency, and accountability our governance framework guides ethical decision-making, ensuring adherence to the highest standards.

Our Board of Directors, comprising seasoned professionals from diverse backgrounds, guide the Company towards strategic goals. Furthermore, various board-level committees, such as the Audit, Risk Management, Investment, Policyholder's Protection, With Profits, Corporate Social Responsibility and ESG, Nomination &

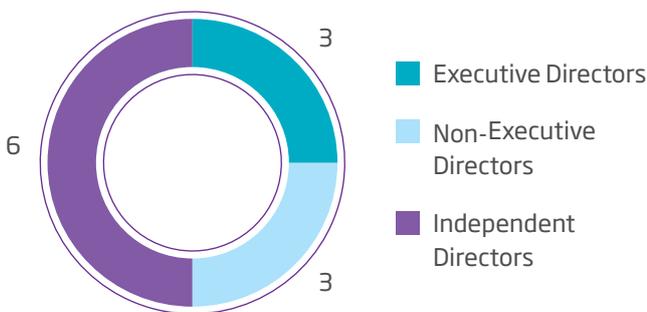
Remuneration, Stakeholder's Relationship, and Capital Raising, play a pivotal role in aligning actions to regulatory changes, meeting objectives, and managing risks efficiently.

To strengthen our governance, we maintain an active internal control system with policies that meet regulatory standards. We regularly review and update our practices through audits, adapting to changes in our business environment. These checks not only monitor but also maintain our governance standards. This proactive approach empowers HDFC Life to achieve sustainable growth, delivering lasting value to its stakeholders.

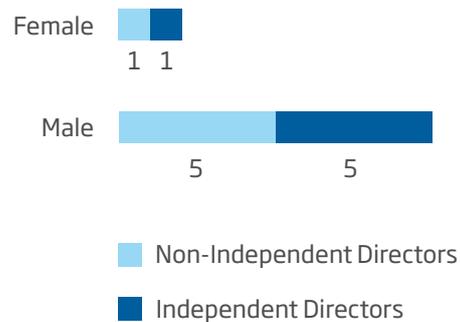
Board Composition, Diversity and Expertise

As on March 31, 2024, the Board comprises an optimal blend of Executive and Non-Executive Directors including Independent Directors. The majority of the board members are non-executive and independent, ensuring a balanced and impartial governance structure. None of the Directors are related to each other.

Board Composition



Board Diversity by Gender



8.31 years

Average tenure of the Board as on March 31, 2024

The Board along with its various committees oversees the Company's operations and management teams, steering toward its short, medium, and long-term goals.

HDFC Life employs a meticulous process in appointing Board members to ensure the right mix of experiences, academic

backgrounds, gender, age, and cultures. The Company adheres to a well-defined policy that promotes Board diversity while meeting regulatory requirements. The Board periodically reviews its composition to ensure that it remains effective, diverse, and well-equipped to meet the evolving needs of the Company and its stakeholders.

Further, The Board structure adheres to the IRDAI Regulations/ Guidelines, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and provisions of the Companies Act, 2013 ("the Act").

Board Expertise



Best-in-Class Governance Practices

HDFC Life has adopted superior governance standards and practices, to ensure fairness and effectiveness in the performance of the Board. The roles and responsibilities of the Chairman and the Managing Director & CEO are clearly demarcated to promote efficient leadership. The Chairman guides the Board, providing direction and focus, while the Managing Director & CEO handles the Company's overall management. This structure fosters constructive discussions and facilitates effective decision-making within the Board.

The Company has established a comprehensive familiarisation program for Independent Directors. This program is tailored to offer a thorough grasp of both the industry and the organisation, empowering them to fulfil their roles effectively. The Board conducts regular performance evaluations, including assessments of individual Directors, using predetermined criteria. Independent Directors also meet separately to assess collective performance, including that of the Chairman and the Board as a whole. Various Board Committees are established in accordance with the requirements of IRDAI



Leadership

Indian Corporate Governance Scorecard 2023



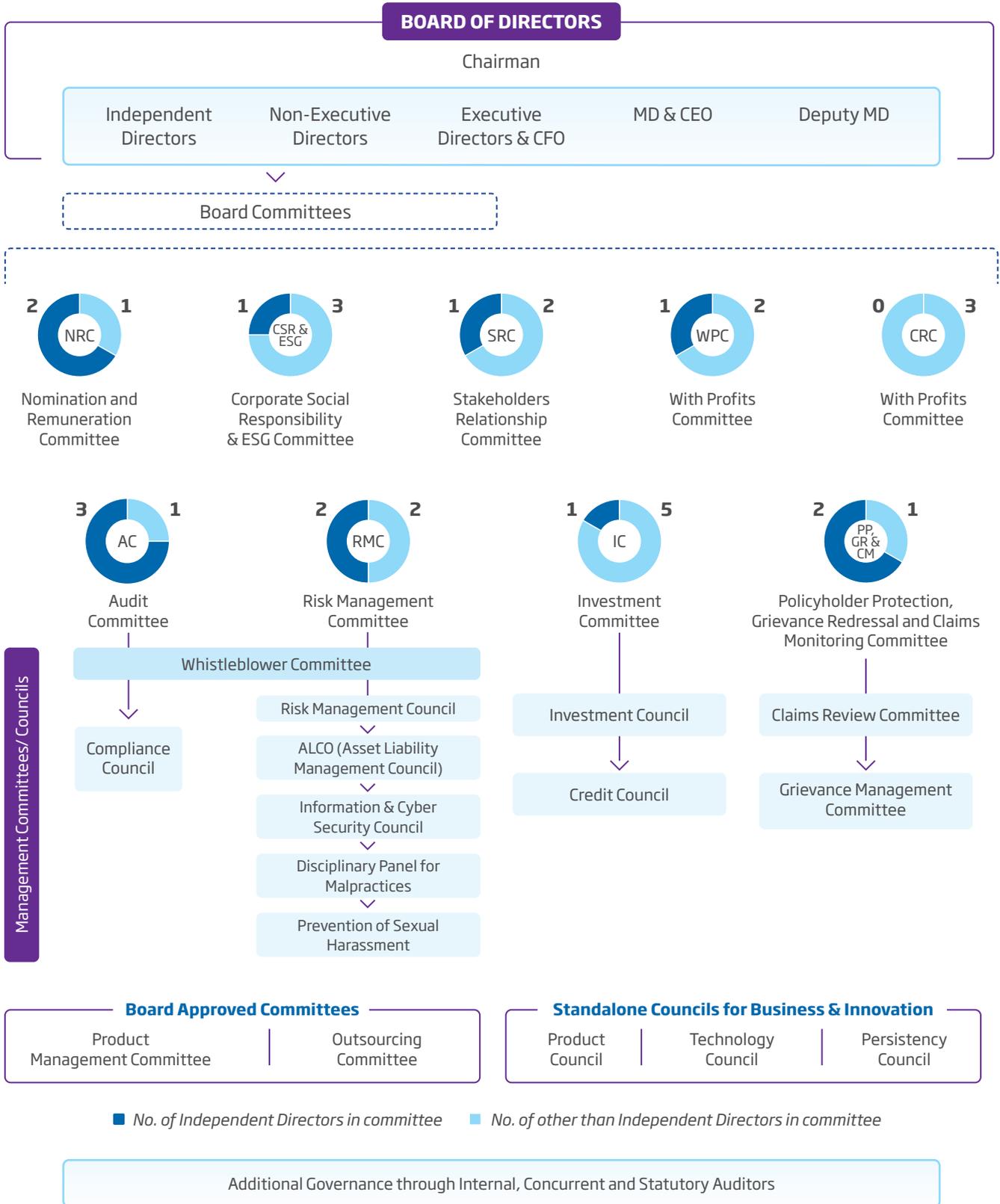
Excellence in Corporate Governance

Golden Peacock Award 2023

Corporate Governance Regulations/ Guidelines, SEBI Listing Regulations and the Companies Act. Management Councils assist these committees by providing pertinent and timely information for informed decision-making.



Governance Structure



* In addition to the above structure, the Company has constituted an executive-level ESG Management Committee to oversee ESG matters and an ESG Governance Committee to integrate ESG issues into investment decisions.

Strengthening ESG structure

During the year, we introduced a governance structure to strengthen our oversight of ESG matters. The Board of Directors, in collaboration with the Corporate Social Responsibility (CSR) and ESG Committee, the Risk Management Committee, and the ESG Management Committee, supervises environmental concerns, climate-related risks and opportunities, as well as the implementation of policies and operational controls for ESG risks.

The CSR and ESG Committee is responsible for monitoring the Company's ESG strategies, goals, and disclosures, ensuring alignment with organisational objectives. The ESG Management Committee oversees the execution of the ESG strategy in line with the Board-approved policies and objectives. Additionally, the Risk Management Committee oversees the implementation of policies and operational controls concerning ESG risks, including those related to climate change.

ESG Governance Structure



Composition of ESG Governance Committee



The ESG Governance Committee operating at the Investment team level fulfils a pivotal function by assessing and counselling the investment team on integrating ESG (Environmental, Social, and Governance) factors, encompassing climate change considerations, into the Fund Management process and interactions with Investee companies. Additionally, it facilitates the surveillance of ESG scores and rating fluctuations among companies in the investment universe while ensuring compliance with global pledges like the UN Principles for Responsible Investment (UNPRI).

We have developed an Environment and Climate Change Policy to reinforce our commitment to addressing pressing environmental and climate-related challenges. This policy acts as a framework for comprehending and managing our environmental and climate risks, as well as identifying opportunities for improvement.

Ethical Conduct and Governance

HDFC Life is deeply committed to nurturing long-lasting values that benefit our stakeholders ranging from our customers and agents to shareholders, regulators, and the broader society. This commitment is reflected in the way we conduct our business, keeping integrity, transparency, and accountability at the forefront of every decision and action.

As a result, our practices and approaches have been strengthened, providing us with a robust defence against the myriad of challenges and we remain adaptable, resilient, and always aligned with the best interests of our stakeholders, reinforcing our position as a trusted leader in the industry.

In line with these principles and to ensure compliance with relevant regulatory requirements, we have formulated the 'Corporate Governance Policy'. This policy serves as a roadmap for the Company and the Board to implement best practices in Corporate Governance. The said policy has been hosted on the Company's website www.hdfclife.com



Anti-money Laundering (AML) and Combating Finance of Terrorism (CFT)

HDFC Life is firmly committed to complying with the expected statutory and regulatory obligations to combat money laundering and the financing of terrorist activities. From a governance perspective, the Company has put in place AML/CFT Framework and Policy, which is subjected to an annual review by the Audit Committee and is duly approved by the Board. The AML/CFT Framework, has been set forth to strengthen our anti money laundering mechanism. The key elements of the framework include:

Customer Due Diligence

The Company makes reasonable efforts in conducting Customer Due Diligence (CDD) for existing as well as new customers. Besides, there are robust controls in place to ensure adherence to the Know Your Customer (KYC) guidelines at the time of customer onboarding as well as continuous monitoring process at various stages of customer life cycle.

Risk Assessment & Suspicious Transaction Monitoring

We have adopted a Risk Based Approach (RBA) for monitoring and controls enabling us to focus on customers and transactions with higher risk of money laundering. Thus, the focus is on higher risk areas e.g. risk arising from payment instruments viz. Demand Draft vs Cheque, Online vs Offline etc., and monitoring the same for suspected money laundering.

Regulatory Reporting

We regularly report Suspicious Transactions to the Government agencies as per applicable laws or regulations.

Training and Capacity Building

All our employees, agents and distribution partners have to undergo the AML/CFT training and certification on an annual basis. The training covers aspects related to the applicable AML/CFT laws, regulations, policies and procedures, including but not limited to possible risks arising due to non-compliance with AML/CFT obligations, prevention of fraud or suspicious transactions, mandatory documentation for CDD, KYC, AML/CFT compliances etc. During FY 2023-24, AML training was imparted to 29,760 employees. Further, all the employees have to acknowledge and electronically accept the Code of Conduct annually, which covers expected behaviour and mannerisms to professionally conduct themselves pertaining to AML/CFT compliances as well.

Internal Control / Audit

The internal audit function regularly conducts compliance testing to review and assess compliance with policies, procedures and controls relating to AML/CFT compliances. Further, periodic update and exception reporting under the AML/CFT framework is done to the Audit Committee of the Board and the Board respectively.



Policies and Frameworks for Ethical Conduct

At HDFC Life, we are committed to upholding the highest level of ethical standards. To foster a culture of ethical behaviour, we have established policies and frameworks that promote appropriate business conduct such as our code of conduct, anti-bribery and anti-corruption policy and anti-

money laundering policy. These are regularly reviewed to enhance our corporate culture and ensure alignment with the highest global standards. A detailed view of all our policies can be accessed under the Company policies tab following the link: <https://www.hdfclife.com/about-us/investor-relations>

Brief about few of our policies

Code Of Conduct

HDFC Life's Code of Conduct applies to all employees, including those on retainer, consultants, and outsourced personnel working in any capacity. It mandates adherence to policies and guidelines, expecting employees to ensure third-party compliance, with regular reviews and updates communicated to all.

Whistle-blower Policy

The Whistleblower Policy of HDFC Life ensures transparent and effective handling of complaints by defining procedures, committees' roles, and mechanisms for investigation. Applicable to all stakeholders, it covers various misconducts, including legal breaches, fraud, and discrimination. Protected disclosures can be made through designated channels, and investigations are conducted impartially, with protection granted to whistleblowers against retaliation.

Anti-bribery and Anti-corruption Policy

This policy ensures compliance with laws and upholds integrity in all dealings. Applicable to employees, directors, and associates, it prohibits corruption and bribery, promoting ethical business practices. The Whistleblower Committee oversees compliance and investigates violations, ensuring transparency. Mandatory for all employees, the policy includes reporting procedures for suspected violations and undergoes periodic reviews to align with evolving regulations.

Anti Money Laundering (AML)

HDFC Life's Anti-Money Laundering Framework is effective from July 1, 2005, and outlines measures to combat money laundering and terrorism financing, emphasising compliance with laws, the FATF, and IAIS recommendations, ensuring product integrity, and supporting law enforcement efforts. The AML/CFT Governance Framework outlines standards ensuring customer due diligence, appointments for compliance oversight and recruitment & training for ensuring employee readiness.

Human Rights Policy

HDFC Life's policy on human rights pledges to uphold and promote human rights, steering clear of involvement in abuses. It aligns with principles outlined by the United Nations Universal Declaration of Human Rights and the ILO Declaration, emphasising equality, non-discrimination, and cultivating a respectful workplace culture.



Responsible Investment (RI) Policy

HDFC Life's responsible investment emphasises environmental, social, and governance (ESG) factors alongside financial criteria to ensure sustainable growth. It covers various asset classes and outlines a comprehensive ESG evaluation framework for informed decision-making, integrating stewardship principles and engaging with investee companies to enhance long-term value. Regular reviews and updates ensure alignment with global best practices.

Policy for Prevention and Redressal of Sexual Harassment (PRSH)

HDFC Life is dedicated to fostering a work environment free from discrimination and harassment, particularly sexual harassment, aiming to protect the rights and dignity of all employees. The policy applies to all employees, including those of subsidiaries and branches, contractors, consultants, and visitors. It conforms to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, ensuring zero tolerance for sexual harassment and providing mechanisms for prevention, resolution, and deterrence.

Investor Grievance policy

This policy aims to swiftly address investor grievances, boosting their confidence through a clear redressal mechanism. It ensures complaint process transparency, confidentiality, and accountability while improving services with investor feedback and resolving queries effectively.

Corporate Social Responsibility (CSR) Policy

Our CSR policy outlines HDFC Life's CSR framework, establishes a Board CSR Committee for compliance and oversight, sets guidelines for executing and reporting CSR projects with defined timelines. The CSR governance, led by the Board of Directors, ensures policy implementation in line with Section 135 of the Companies Act, 2013.

Environment and Climate Change Policy

Our Environment and Climate Change Policy aims to minimise environmental impacts through responsible operations and climate risk management. It applies to all employees and is overseen by the ESG Management Committee, ensuring sustainability in operations, procurement, and waste management.

Data Privacy Policy

Addressing vast amount of data collected and handled at HDFC Life, our Privacy Policy ensures customer and website user information security across services and products, mandating informed consent for data usage, governed by strict confidentiality and ethical standards. This policy covers data collection, usage, sharing, and protection practices, emphasising transparency and user rights.

Health and Safety Policy

At HDFC Life, employee health and safety are paramount, reflected in our Health and Safety Policy. We prioritise a culture of wellness, comply with international standards, conduct risk assessments, and provide regular training to ensure a safe work environment for all stakeholders.

Risk Management

The insurance landscape is experiencing rapid transformations driven by evolving consumer preferences, geopolitical uncertainties, escalating climate-related challenges, and dynamic regulatory frameworks. In light of these changes, a robust risk management practice is a strategic imperative.

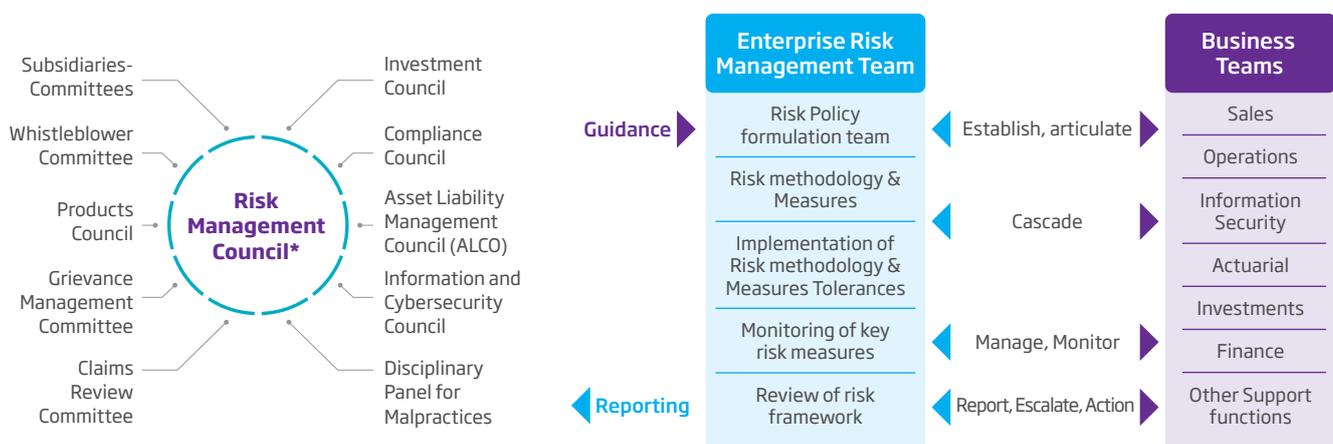
At HDFC Life, risk management stands as a foundational pillar. We have implemented an Enterprise Risk Management (ERM) system, anchored by a culture of risk awareness and strong governance. This framework facilitates comprehensive risk oversight at the corporate level, optimising risk mitigation and capitalising

on opportunities for business expansion. To enhance efficiency in tracking and monitoring, we have devised key performance indicators and dashboards for identified risks. Our holistic ERM system shields us from operational disruptions and safeguards against financial or other losses.

Goals of our ERM



ERM Framework at HDFC Life



*Various governance councils where risks are reported, discussed and actions proposed

Roles of various Stakeholders within the ERM Framework

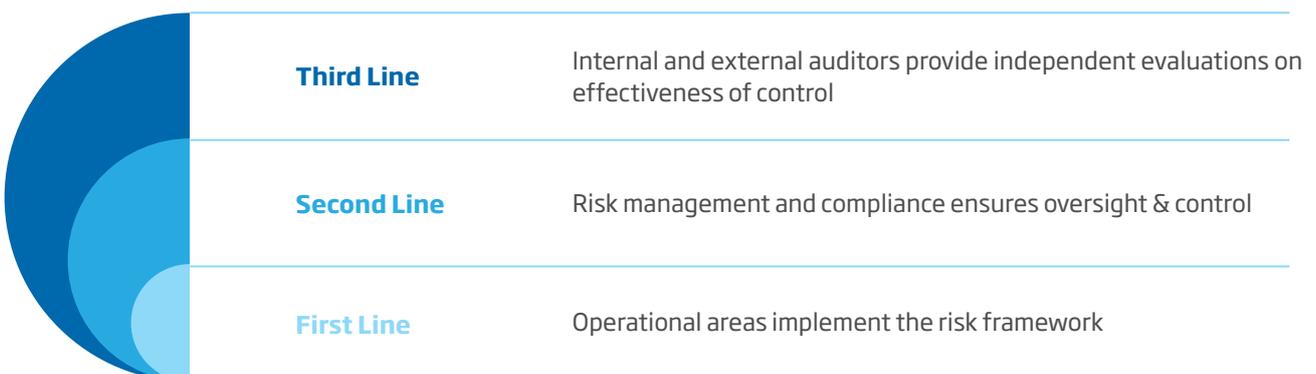
Roles of stakeholders in ERM framework		
<p>Governance Councils and Oversight Bodies</p> <ul style="list-style-type: none"> Set strategic direction and foster a conducive risk management environment Guide the Risk Management Framework's development Ensure risks are managed in line objectives Update the board and management on key risks and opportunities Establish risk tolerance levels Track malpractice trends and assess the Whistle Blower Policy effectiveness Promoted the desired risk culture with rewards and incentives 	<p>Business Teams</p> <ul style="list-style-type: none"> Assume responsibility for and manage risks arising from business activities Implement risk mitigation measures and control procedures Take corrective actions as necessary Address process and control deficiencies Design appropriate supervisory controls Promptly report and escalate detected risk issues 	<p>Risk Management Team</p> <ul style="list-style-type: none"> Create the risk framework, policies and templates Proactively identify, analyse, and measure risks Recommend mitigation strategies and regularly update management Keep the risk management council and committee updated on risks and controls Assist business functions in informed risk decision-making Handle risk-related data and information management Promote risk awareness across all stakeholders Advocate for adopting best-in-class risk management practices

Risk Management Approach

Three Lines of Defence Model

HDFC Life's Risk Management Framework is built around the "Three Lines of Defence" model. This model ensures that each operational area incorporates the framework as its first line of defence. The second line, distinct from day-to-day operations, includes Risk Management and Compliance functions, focussing on oversight and control. The final line consists of the Internal Audit function and External Auditors, offering unbiased evaluation to the Audit Committee and the Board regarding the effectiveness of internal controls.

Three Lines of Defence model



Our Risk Management processes and activities were classified as 'Satisfactory' in the last two Audits done by external audit firm.

As a forward-thinking organisation, we proactively tackle risks, refining our methods for effective mitigation. We view risk as a potential to positively impact our key business outcomes when managed well. To support this, we have developed an 'Active Risk Management' approach, promoting a proactive, transparent and effective risk-aware culture with comprehensive training and frameworks for our team. Our practices undergo annual evaluations against top industry standards by external auditors, ensuring our risk management remains at the forefront.

Emerging Risks

At HDFC Life, an emerging risk identification framework exists to support the Company's preparations in managing

financial and non-financial risks expected to crystallise beyond the short-term horizon. This process recognises the dynamic materiality of emerging risk themes, acknowledging that significant topics and associated risks can evolve rapidly over time. Notably, sustainability risks—including those related to ESG and climate change—pose significant impacts on our business and reputation due to shifting stakeholder expectations.

We routinely survey top management to identify top emerging risks. In the survey, a comprehensive range of risks are examined, encompassing both internal and external risk factors and categorised mainly into Economic, Geo-political, Regulatory and Legal, Environmental, Societal, Health, and Technological.

Our earlier assessment of emerging risks identified two primary risks that have now materialised. Anticipating these challenges, we took proactive measures to address them in advance, ensuring we were well-prepared for their impact in the current fiscal period.

Risk	Key Mitigation Plans considered in advance
<p>Stringent Data Privacy Laws</p>	<p>Robust systems to secure data, consent management and internal policy and guidelines, gap assessment of our systems and processes.</p>
<p>Change in Tax Laws</p>	<p>Improved customer engagement & communication around need for life insurance, new product ideas, scenario analysis and stress testing to analyse the impact.</p>

Risk Management Practices through Employee participation

Risk management is integral to our company scorecard, with all Executive Council (EC) members responsible for its success. Their remuneration is tied to sound Risk management decisions. The EC members also participate in

the Risk Management Council, an internal body overseeing our risk management objectives and embedding risk culture throughout the organisation.



We have institutionalised a slew of measures to ensure employee participation in enhancing Risk awareness and practices throughout the organisation:

<p>Incident Reporting Framework</p> <p>We have implemented an Incident Reporting Framework enabling employees to report operational losses without fear of reprisal. To strengthen this, we also conduct Risk Control and Self-Assessment (RCSA) activities using a bottom-up approach. These self-assessments, led by our first line of defense and supported by the Risk Management team, help us identify, assess, and mitigate operational risks effectively.</p>	<p>Online Fraud Reporting Platform</p> <p>An online platform enables employees to report potential instances of fraud or misappropriation, with the Fraud Risk Management team ensuring prompt investigation and appropriate actions.</p>	<p>Feedback surveys</p> <p>The Risk team conducts online surveys to gather structured feedback from employees, aiming to enhance overall fraud risk management practices.</p>	<p>Awareness Campaigns</p> <ul style="list-style-type: none"> ▪ Cyber awareness programme: A robust cyber awareness programme cascading from senior leadership to all employees, reinforced by periodic training modules, awareness mailers, recognition of exceptional security behaviors, certification programmes. ▪ Phishing Campaigns: Conducted and periodically to gauge the awareness amongst employees on email frauds. ▪ Fraud Awareness: RMCU team conducted annual employee training on fraud awareness, recognising vigilant staff with quarterly awards and hosting Fraud Awareness Month events. <p><i>(For more details, refer Fraud Risk Management section below)</i></p>
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Relevant policies and process are available to all the employees on our Company intranet portal. This culture of awareness extends to our partners and vendors, ensuring a unified approach to cybersecurity across our ecosystem. We provide regular training to employees both internal and external, to ensure that the risk team remains updated about key concepts and processes related to the life insurance business. This enables them to conduct thorough assessments and develop effective mitigation plans.

Navigating the Risk Landscape

Risk Type and Description	Risk Impacts	Mitigation Measures	Capital Impacted
<p>Operational Risk</p> <p>Risk arising from lacunae in internal processes and systems or lapses by people, including but not limited to legal risk</p>	<ul style="list-style-type: none"> ▪ Operational lapses can incur significant costs, impacting profitability amid rising compliance expenses. ▪ Any process, system changes due to reasons such as regulatory changes/introduction of new products/for operational efficiency may lead to penalties, reputation damage, and operational restrictions 	<p>This risk is managed through mechanisms like Risk Control Self-Assessment (RCSA), pre-launch risk assessment, operational loss data collection, incident management framework, control reports, thematic risk reviews, and Key Risk Indicators (KRIs).</p>	

Risk Type and Description	Risk Impacts	Mitigation Measures	Capital Impacted
<p>Technology, Business Continuity, and Privacy Risk</p> <p>Risks hampering the confidentiality, integrity and availability of information systems and underlying data</p>	<p>Amid expanding digital engagement and societal shifts, technological integration drives insurance innovation, enhancing customer interactions, risk assessment, and efficiency. However, resistance due to costly compliance and investment in infrastructure may lead to data breaches, technology lag and reputational harm.</p>	<ul style="list-style-type: none"> Conduct Periodic Business Continuity and IT Disaster Recovery drills. Ensure compliance with ISO 27001 standards. Implement Comprehensive Information and Cyber Security Policy Focus on Cyber security governance. Categorise data based on sensitivity. Integrate security measures with enterprise IT architecture. Utilise tools like DLP for detecting potential breaches. Conduct regular internal and external audits for control effectiveness. Monitor and review vendors regularly. Monitor and report key technology projects through Information & Cyber Security Council 	
<p>Compliance/ Regulatory Risk</p> <p>Risks emanating from nonadherence to regulatory, judiciary and legislative mandates and guidelines leading to fines and penalties</p>	<p>In the evolving insurance landscape, regulatory changes such as tax adjustments and IRDAI mandates pose risks to profitability and operational efficiency. Uncertainty regarding surrender value regulations may impact long-term viability, while compliance with the DPDP Act demands significant investment in cybersecurity to mitigate risks and maintain trust.</p>	<p>Managed through timely dissemination of regulatory notifications, Compliance Council meetings, Compliance reviews, evaluation of system changes/new developments from a regulatory perspective, and implementation post Compliance sign-off.</p>	
<p>Strategy and Planning Risk</p> <p>Risks emanating from nonachievement of strategic objectives, deviation from strategic plans, execution failures, external and internal factors</p>	<p>Strategic failures cast doubt, on the viability, growth, profitability, e, and future readiness of the organisation, risking market sustainability and stakeholder confidence.</p>	<p>Addressed through regular strategy reviews and monthly business reviews, strategic risks are monitored project wise too where special cross-functional groups are dedicated to handle strategically important projects.</p>	
<p>Insurance Risk</p> <p>Risk arising due to adverse movement of mortality, persistency, morbidity and expense rates as compared to historical movements</p>	<p>Potential insurance risks pose significant threats to insurance companies, including increased financial volatility, reduced profitability, and heightened uncertainty in meeting policyholder obligations and maintaining solvency.</p>	<p>We employ tools such as mortality risk dashboards, reinsurance risk evaluations, and underwriting policies. We monitor claim experiences, persistency across products and time frames. Additionally, we mitigate risks in pricing, profitability, and capital adequacy through product design and scenario analysis.</p>	



Risk Type and Description	Risk Impacts	Mitigation Measures	Capital Impacted
<p>Fraud Risk</p> <p>Risk resulting due to fraudulent acts of employees, intermediaries, policyholder or third parties</p>	<p>Fraud risk have direct implications on financial stability, reputation, operational efficiency, and regulatory compliance. It's occurrence could undermine trust, increase costs, and threaten the integrity of claims processing, leading to potential financial losses and legal repercussions.</p>	<p>The Risk Monitoring & Control Unit (RMCU) focusses on fraud risk management. The Values programme aims to instill organisational values from senior management to grassroots. Various measures are implemented to mitigate fraud risk like:</p> <ul style="list-style-type: none"> ▪ Risk models like Red-Amber-Green, ▪ Malpractice matrix, ▪ Data sharing with Institute of Risk Management and Insurance Information Bureau, ▪ Fraud awareness programmes, ▪ Payout Intelligence Unit (PIU), and ▪ Monthly dashboard to identify high-risk salespersons. <p><i>Refer to Fraud section for further details.</i></p>	
<p>Market Risk</p> <p>Risk of loss resulting from adverse movement in market prices across asset classes and investment positions</p>	<p>Market risk for insurers, affect asset values and the performance of portfolios which may result in adverse impact on profitability, liquidity as well as the ability to meet policyholder's expectations.</p>	<p>Market risks are managed through including sector and stock limits, monitoring fund returns, conducting return attribution analysis and following a stop loss policy framework.</p> <p>Further, tracking interest rate movements through regular monitoring, and drawing action plans on abnormalities in movement, managing product mix, ensuring duration/cash flow matching, hedging instruments, and conducting sensitivity analysis, and stress testing additionally safeguard us against potential market risks.</p>	
<p>Liquidity Risk</p> <p>Inability to liquidate an asset or to meet contractual obligations when due</p>	<p>Liquidity risks in insurance companies may hinder their ability to meet policyholder obligations and operational and expansion needs, leading to financial instability, inability to invest in long term growth prospects and potential solvency concerns.</p>	<p>Monitored regularly to ensure sufficient liquidity through cash flow matching, investment in on-the-market curve securities, high credit quality papers, investment in stocks with sufficient market capitalisation, and compliance with mandated concentration /stock limits prescribed by IRDAI authorities.</p>	
<p>Credit Risk</p> <p>Inability of counterparty to meet obligations in accordance with the agreed terms</p>	<p>Default or downgrades of assets like bonds and loans can lead to financial losses, impacting solvency and investment returns for insurers.</p>	<p>Addressed by investing in sovereign rated papers and high-quality corporate securities, conducting periodic analysis, and administering periodic reviews by the Credit Council.</p>	

Risk Type and Description	Risk Impacts	Mitigation Measures	Capital Impacted
<p>Asset Liability Mismatch Risk</p> <p>Inability of counterparty to meet obligations in accordance with the agreed terms</p>	<p>Such mismatch risk can lead to difficulties in meeting long-term liabilities with short-term assets, potentially causing financial instability, increased liquidity risk, and challenges in fulfilling policyholder obligations having possible reputational impacts.</p>	<p>Managed through regular monitoring focussing on duration/cash flow matching of assets and liabilities, sensitivity testing, and periodic review.</p>	
<p>Subsidiary-related Risks</p> <p>Risks originating from actions taken by subsidiary companies</p>	<p>Subsidiary risk spill-over can lead to regulatory compliance challenges, governance issues, and financial mismanagement, affecting operational efficiency and stakeholder confidence.</p>	<p>Measures of mitigation include acquiring quarterly updates from subsidiary Risk Management Committees which report to the parent Company, and establishing subsidiary governance structures including Risk, Investment, and Audit Committees, and other Board Committees to maintain vigilance at the subsidiary level.</p>	
<p>Emerging Risks</p> <p>New or developing risks that can affect the Company's financial strength, competitive position, viability, or reputation over the medium to long-term.</p> <p>Emerging risks may present a threat or an opportunity for the enterprise as a whole or a specific business unit or geography.</p> <p>The key categories of emerging risks are:</p> <ul style="list-style-type: none"> ▪ Economic ▪ Geopolitical ▪ Regulatory/Legal ▪ Environmental/Societal ▪ Technological 	<p>Emerging risks directly affect insurance companies by introducing uncertainties, operational complexities, and potentially impacting profitability and market competitiveness. Inadequate agility and preparedness may result in missed opportunities.</p>	<p>Deliberated by senior management to prevent or reduce impact through allocation of required resources, focus on key emerging risks, and incorporation into the ESG framework.</p> <p>Pg 32 for the ESG-related initiatives to manage the climate and other risks in detail.</p>	



Unified view of Risk exposure through independent Data base

We have established a comprehensive Risk Database spanning six years, encompassing policy benefits and features, customer demographics, and mortality experience. This database serves as the foundation for various activities, including the Mortality Risk Dashboard and Claims Early Warning Indicator, supporting precise risk analysis and generating insightful reports.

Revamped Incident Management Framework

A revamped Incident management framework has been rolled out during the year. Active participation in incident reporting across the Organisation was institutionalised through initiatives including ease of reporting, frequent awareness sessions. Further, permanent fix for an identified issue is driven through frequent governance meetings



Data-driven Decision-making

Our specialised team analyses business risks using data, taking corrective actions for those exceeding our risk tolerance. We collaborate with external entities like IIB, credit bureaus, and research firms for robust risk analysis. HDFC Life employs IIB Quest for real-time data quality monitoring, aiding industry protection. This tool detects fraud cases related to undisclosed medical, financial, and demographic information. Further, we utilise an integrated tool for monitoring operational, IT, fraud, and business continuity risks, offering our senior management an overview of key risks and their drivers.

Developing Future-ready Talent

We have invested in our risk team's skills, covering actuarial science, data analytics, forensic analysis, and risk modelling. These skills bolster product pricing and investment portfolio risk management. We offer regular internal and external training to keep them updated on life insurance concepts, ensuring thorough assessments and effective mitigation planning.

Risk and Opportunities Review Council (RORC)

Our ERM framework prioritises balancing risk management with growth opportunities. The internal Risk and Opportunities Review Council (RORC) identifies and aligns business opportunities with our risk appetite across the enterprise

Mandatory Sign Off

We have established a pre-launch risk approval process to prevent post- implementation issues and risk materialisation. This has minimised losses, streamlined operations, and introduced early warning signals for system failures or deficiencies.

Effective monitoring through Risk Dashboards

We have designed specific dashboards to manage key Risks such as Mortality Risk, Fraud Risk and Subsidiary Risk to enhance decision making and understand critical Risk aspects quickly

Fraud Risk Management

Fraud risk management is an essential governance aspect at HDFC Life, aimed at identifying, assessing, and mitigating the threats posed by fraudulent activities. As we operate in increasingly complex and digital environments, the potential for fraud has escalated. This necessitates robust frameworks to safeguard assets, reputation, and stakeholder trust. Our fraud risk management involves a comprehensive approach, integrating technology, processes, and people to pre-empt, detect, and respond to fraudulent incidents.

Fraud Risk Maturity Model

To enhance our Fraud Risk Management framework, we conduct a Fraud Risk Maturity assessment against the five components of the ACFE/COSO Fraud Risk Management guide. This assessment evaluates:



We have developed a plan of action to achieve desired state across each of these components in phased manner

Key Fraud Risk Mitigation initiatives

Fraud Awareness among Employees and Channels

- Our workforce and distribution networks serve as the frontline in fraud detection and prevention. We enhance their vigilance with fraud awareness training, both online and in-person.
- Below are some of the highlights for FY 2023-24 with regards to

Fraud Awareness initiatives:

- Launch of Quarterly Fraud Fighter award
- Online fraud awareness module revamped
- 19,185 employees covered through classroom training
- 18,315 employees completed online fraud awareness module in M-Learn

- The Fraud Awareness month in December 2023 had activities covering 1-Pledge, Quiz, Leadership delivered videos, Beat the system program, session for VGs and Pulse check survey among others. This saw a participation of about 27,450 employees.

Fraud management initiatives:

- FCU (Fraud Control team) created to focus on data driven fraud risk management
- FAU (Fraud Assessment Unit) created to focus on proactive Fraud Risk Assessments

Early Warning Indicators

We have developed a robust framework to identify early warning indicators across the customer life cycle. These indicators prompt corrective and preventive actions to minimise the risk of fraud losses.

Payout Intelligence Unit

Established in FY 2022-23, the Payout Intelligence Unit (PIU) is tasked with proactively detecting and preventing potential frauds in customer-related payouts while safeguarding customer interests during the payout process.



Financial Risk Management Framework

Our financial risk management framework is comprehensive, covering key aspects like asset liability management, product design, and hedging strategies.

ALM approach

- Target cash flow matching for non-par savings plus group protection portfolio to manage non parallel shifts and convexity
- Immunise overall portfolio to manage parallel shifts in yield curve (duration matching)

Product design & mix monitoring

- Prudent assumptions and pricing approach
- Monitoring product mix: Proportion of Return of premium of annuity products
- Defining entry criteria of annuity business
- Regular monitoring of interest rates and business mix

Managing Risk

Natural hedges

- Protection and longevity businesses
- Unit linked and non-par savings products

Hedging strategy

- External hedging instruments such as FRAs, IRFs, swaps amongst others
- Reinsurance
- Broad-basing of counter-parties for FRAs

Some of our other key risk mitigation initiatives are detailed below:

Persistency Risk

Certain policyholders discontinue premium payments mid-policy, affecting benefits, asset-liability planning, and profitability. For that purpose, we have created a predictive persistency model. It enables early intervention with tailored product alternatives for policyholders, persistency enhancing persistency forecasts.

Claims

Customised predictive models are utilised to identify high-risk claims at pre-claim and claim stages. Detailed data assessments based on historical experience enable proactive detection of risky policies, distributors, and geographies.

Information and Cyber Security

At HDFC Life, we have always promoted a security-focussed risk culture. Our comprehensive cyber security framework includes policies, procedures, and controls designed to protect organisational information assets from cyber threats. This framework encompasses risk assessments, prevention, detection, response, and recovery measures, along with employee training programs. Central to our approach is the defense-in-depth strategy, validated by our ISO 27001 certification. Our Information and Cyber Security Policy covers all lifecycle stages of information assets, from creation to disposal. Key parameters for maintaining a strong cyber security culture are outlined below:



In summary, our comprehensive cybersecurity framework reflects our steadfast dedication to safeguarding our organisation against evolving cyber threats while aligning with industry standards and regulatory expectations. As a testament to this dedication, we did not experience any information security breaches affecting our clients or employees in the past two years.



Business Continuity

In our commitment to ensuring seamless operations, even in the face of unforeseen challenges, we prioritise robust Business Continuity Practices. Recognising the inherent risks in our business environment, which could potentially disrupt operations, we have proactively implemented measures to mitigate these risks:

Proactive Approach:

We proactively monitor and address potential disruptions, analysing downtime of critical applications to identify issues and prevent recurrence.

Hybrid Work Model:

Our business continuity plan ensures seamless operations by integrating secure remote access, resilient cloud storage, using a holistic approach to address the interplay of people, physical infrastructure, and technology, especially for hybrid and remote work models.

Business Impact Analysis (BIA):

We conduct Business Impact Analysis to assess critical processes, which helps identify Recovery Time Objective (RTO), Recovery Point Objective (RPO), and accordingly develop, document, and semi-annually test our Business Continuity Plans for effectiveness through table-top exercises, simulation drills

To conclude, our Business Continuity Practices, guided by the principles of ISO 22301, embody a proactive and holistic approach to operational resilience. By addressing people, physical infrastructure, and technology, we strive to ensure the continuity of our operations and uphold our commitment to delivering value to our stakeholders, even in the face of adversity.

Data Privacy

At HDFC Life, we have formulated Data Privacy policies which are in line with industry-leading practices such as ISO and NIST standards, among others, and in full alignment with current and upcoming laws and regulations. Our commitment to privacy extends to maintaining a thorough understanding of personal data handling through regular creation and updates of inventories detailing Personally Identifiable Information (PII) and conducting comprehensive analyses of data flows to pinpoint areas where personal data processed.

User's consent & data rights

We prioritise user consent in all interactions, ensuring data collection and processing only with explicit consent. At HDFC Life, we uphold data rights, providing access, rectification, and erasure, promoting transparency and privacy.

Unified Control's Framework

We have developed a Unified Controls Framework designed to assess privacy practices across various functions. This initiative encompasses the establishment of clearly defined privacy policies, coupled with a structured disciplinary process to swiftly and effectively address any breaches.

Governance over privacy & data security

Privacy and data security remain paramount at HDFC Life, with Data Protection Officer (DPO) spearheading efforts and a dedicated task force led by our Chief Information Security Officer (CISO) to address emerging risks, supported by a board-level Risk committee.

Access control mechanisms and encryption protocols

We prioritise privacy and security by leveraging advanced tech like access controls mechanism and encryption protocols. We respect user choices giving them opt-out options, limit data sharing with third parties, and minimise collection, ensuring transparency and privacy protection in our operations.

Data Breach/Incident Response Plan

Our Data Breach Plan combines proactive monitoring and training with reactive strategies, including a detailed incident response plan, forensic analysis, and transparent communication. This ensures prevention and swift response, maintaining data security and stakeholder trust.

Employee Training

We ensure all employees, including new hires and contractors, receive annual training on data security and privacy to uphold the highest standards.

Extending our commitment to our Suppliers and Business partners

We prioritise data protection not only within our operations but also across our network of suppliers and business partners, verifying compliance through inspections, reflecting our commitment to safeguarding sensitive information.

Furthermore, our dedication to maintaining the highest standards of data security and privacy is evident in our pursuit of certifications such as ISO 27001 etc. All key Business operations and support functions are certified to these widely accepted standards, underscoring our commitment to ensuring the security and integrity of our data management practices across the organisation.

Social & Relationship Capital



Recognising the changing preferences of our customers, we are dedicated to enhancing their experiences through project INSPIRE. By leveraging technology across touchpoints, we aim to provide better services and seamless interactions.

UN SDGs covered



Customer Centricity

At HDFC Life, we are committed to fostering a 'customer-led, customer-first' culture. Our customers are our top priority, guiding everything we do. As a trusted insurance brand in India, we uphold values like Excellence, People Engagement, Integrity, Customer-Centricity, and Collaboration (EPICC).

Customer experience (CX) is central to our growth strategy, as we strive to cultivate loyalty and attract new customers. This will ensure long-term sustainable and profitable growth. As part of this objective, we have launched many customer-centric initiatives.





Our CX programme is based on 5 focus areas



Building a 'customer-led, customer-first culture'

- We prioritise delivering excellent customer experiences, guided by our core value of customer-centricity. With a team of 32,486 employees, we promote a customer-first culture across all levels and branches through various initiatives.
- Our leadership, emphasises the importance of customer-centricity using platforms like Culture Chronicles, CX Smart Talk, and Townhalls demonstrating commitment through action.
- Our internal platform, 'MLearn,' helps employees upgrade skills, learn best practices, and access courses for better customer experiences.
- To make informed decisions, we measure customer metrics like CSAT and NPS through feedback loops.
- We acknowledge and celebrate customer-centric behaviors through forums like CX Champions, CX Ambassadors, CX Sales Star, and CX Hero.
- Employees have a voice and through a platform like Ideathon, they can address obstacles to deliver exceptional customer experiences.



Simple and innovative products

- At HDFC Life, we aim to offer adaptable products that align with our customers' evolving needs. With a portfolio of 90+ products and riders covering savings, retirement, protection, children's plans, combo and group plans.
- To enhance customer understanding, we have introduced short videos outlining product details, accompanied by transparent terms and conditions.
- Our sales processes incorporate thorough checks and balances to ascertain product suitability for customers and ensure clear comprehension of product features and terms.



Self-serve seamless customer journeys

- We strive to provide our customers with digital self-service options for 24/7 access to our services.
- To support customers during transactions, we offer tutorial videos and service help guides.
- Our customer engagement strategy involves adopting an omni-channel approach across web, mobile, chatbots, call centers, email desks, and branch offices, ensuring convenience for our customers.



Simple, concise and easy-to-understand communication

- Communication plays a significant role in influencing customer experience.
- We have adopted a 360-degree approach to simplify communication by making important documents such as policy documents, customer emails and letters easy to understand with detailed explanations of key terms.
- Our communication strategy also includes timely delivery of relevant information and customised product brochures with detailed descriptions.
- To further empower customers, we are exploring interactive videos and tutorials for clear instructions



Application of technology and analytics

- Data analytics provides valuable insights into customer behavior, preferences, and trends.
- We leverage this data to offer personalised customer experiences, enhance product offerings, and improve overall satisfaction. Additionally, technology and analytics help streamline business processes, automate tasks, and deliver efficient customer service.
- Instant query resolution is facilitated through technology. AI-powered chatbots handle queries on our website and WhatsApp, while Natural Language Processing (NLP) assists with auto-responding to service emails or queuing requests for human resolution. Mobile-first DIY journeys ensure a seamless servicing experience.
- Project INSPIRE focusses on an intelligent IT infrastructure to cultivate a customer-centric culture and drive innovation based on customer feedback. This initiative aims to reengineer technology for sustainability and future readiness, revamping platforms to enrich customer interactions and streamline onboarding processes for customers and partners, thereby enhancing productivity.

Corporate Social Responsibility

We prioritise building strong, trust-based relationships within our communities. This commitment in turn aids in creating shared value as we contribute to societal well-being whilst achieving our business goals.

We aim to improve the lives of those around us through various programmes and initiatives focussing on the following three core areas:

Our Core Focus Areas

Education and Livelihood

Healthcare and Sanitation

Environmental Sustainability

Our initiatives are guided by a comprehensive CSR policy which aligns with Schedule VII, Section 135 of The Companies Act, 2013, and are overseen by the Board CSR and ESG Committee. This oversight mechanism ensures accountability and visibility over impact created through our initiatives.



₹ 23.22 crore

CSR Spends

Swabhimaan

Swabhimaan is our umbrella for executing CSR initiatives. The CSR Head and the CSR Monitoring and Evaluation team assesses projects for suitability and recommends them to the Board CSR and ESG Committee for approvals, budget allocation and directions. The Committee also has the flexibility to approve projects outside our focus areas basis the need and impact of the proposed project.

The projects are aligned with the United Nations Sustainability Development Goals (SDGs), specifically

targeting key areas such as quality education, sustainable cities and communities, climate action, and good health and well-being. By aligning our efforts with the SDGs, we contribute to the global agenda for a more sustainable and inclusive future.



We have covered 14 out of 17 SDGs



29

No. of CSR Programmes / Initiatives



27

No. of Implementation Partners



16.32 lakh

No. of Lives Impacted



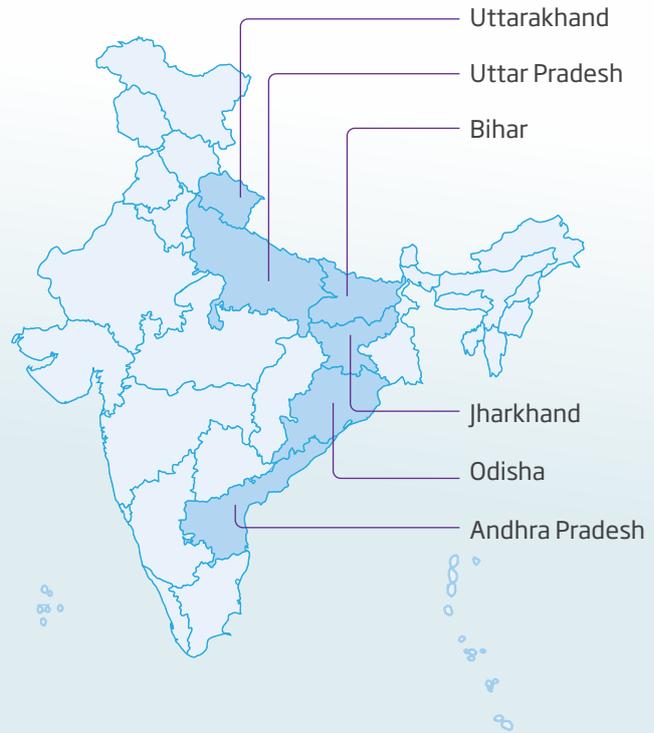
Education Enrichment Initiative - Dehradun, Uttarakhand



Aspirational Districts and National Development Agenda

The Aspirational Districts Programme is an initiative by the Government of India implemented by NITI Aayog with the help of various stakeholders to improve the living standards for people in aspirational districts. Our projects are aligned with this National Development agenda for promoting sustainable and equitable development.

25 Aspirational Districts covered in **6 states** through our programmes in Jharkhand, Bihar, Uttarakhand, Andhra Pradesh, Uttar Pradesh and Odisha



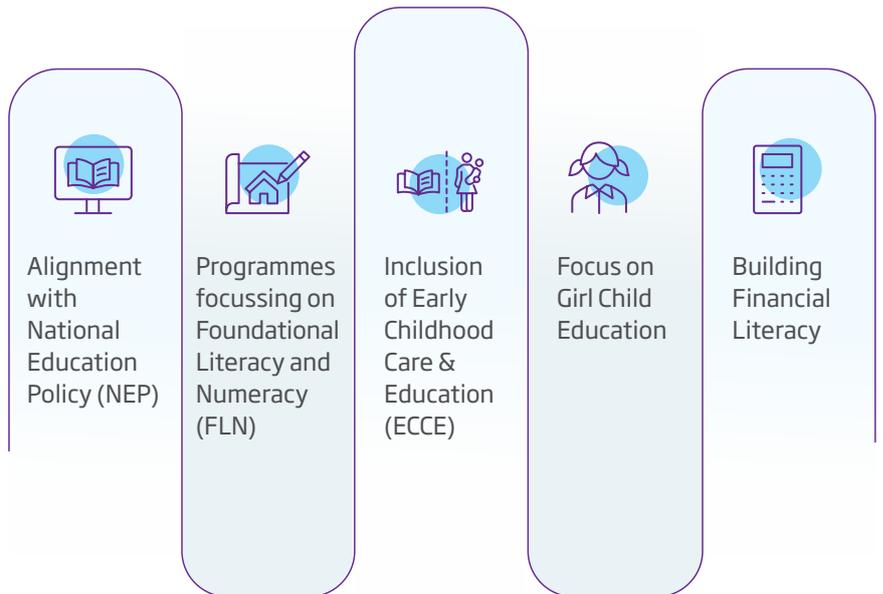
Map not to scale

Education and Livelihood

Access to quality education is crucial for children from marginalised backgrounds to secure a brighter future. However, due to financial constraints, children are forced to drop out of school leading to limited career options in future. Addressing issues like poor infrastructure, teacher shortages, and outdated teaching methods is crucial to empower these children and break the cycle of poverty.

Focussed on addressing some of these fundamental issues, we have undertaken several initiatives in FY 2023-24 with the help of our implementation partners aimed at improving education and livelihood opportunities in many underserved regions across India.

Some of the broad areas covered by our initiatives



Key Initiatives and Programmes



Education Enrichment Initiative

- Contributed to infrastructure development, teacher training, and nutritional meals in four schools of Dharamshala, Dehradun and Mumbai. These interventions provided a better educational environment to the children, improved learning delivery, and reduced instances of children dropping out midway through the year.
- More than **3,721 children benefited** from this initiative.

1



Helping Persons with Disabilities

- We believe that a person's physical disabilities should not impede professional growth and ambitions.
- We stepped in to help about **392 hearing impaired youngsters** from **Kota and Jaipur** by developing tailor-made training modules to improve their employability, including Indian sign language, written and spoken English skills, computer literacy etc. In total, 96 trained youth were successfully placed in various companies.

2



Foundational Literacy and Numeracy (FLN)

- A capacity building initiative was begun in **twelve districts of Jharkhand** for over **35,985 teachers** for English and Mathematics in grades 1st to 5th grade in Government Schools of Jharkhand.
- This has resulted in better learning outcomes for **9.46 lakh children** studying in **12,073 schools** in these districts.

3



Model Anganwadis

- An Integrated Child Development Scheme (ICDS) is run by the Government of India, which seeks to make early childhood education available to the marginalised children who do not have access to such facilities.
- We partnered with ICDS** through our implementation partners which also provides support to the anganwadi workers and helpers.
- Over the year, more than **2,217 children** and **over 98 anganwadi workers and 83 anganwadi helpers** benefited from these centres.

4



Capacity Building of Urban Poor

- The capacity building programme in **21 urban slums** in Ahmedabad and Surat aims to empower communities, particularly women, by raising awareness about basic civic services such as water, sanitation, and waste management and enhancing climate change resilience.
- This initiative aims to improve living conditions and strengthen community resilience in these urban slums.
- So far, the programme has reached over **4,848 households**, benefiting **24,240 individuals**.

5



Strengthening Agricultural Practices

- India remains predominantly agrarian, with its farmers diligently providing sustenance for the nation.
- To support such farmers, in Parvathipuram district, Andhra Pradesh, we began a project to share knowledge and raise awareness about sustainable farming methods. Our goal is to increase income opportunities and support water availability to improve the local ecosystem.
- Till date, more than **1,402 households** consisting of **4,920 people from 24 tribal villages** were provided with opportunities for a better livelihood.

6



Awareness on Financial Literacy

- Digital tools are needed for almost everything we do now, including enrolling for government schemes and benefiting from them.
- For improving the financial and digital awareness we conducted sessions in **9 states, Uttarpradesh, Uttarakhand, Jharkhand, Bihar, Madhya Pradesh, West Bengal, Odisha, Telangana and Tripura** that helped the beneficiaries improve their livelihoods and lifestyles.
- **More than 1,55,303 individuals benefited** from these sessions along with over **8,364 linkages to various government schemes.**

7



Girl Child Education

- We helped set up **59 learning centres** specifically targeted towards girls who are dropped out from formal education. The learning provided at these centres aims to empower girls with academic inputs and life skills. A total of **1,820 girls benefited** from this initiative.
- Further, through our supplementary education programme covering **196 schools in Uttar Pradesh, 'Gyan Ka Pitara' learning kits were distributed** benefitting **9,170 students.**

8

Swabhimaan Stories



Empowering Anganwadi Workers to strengthen Early Childhood Education

In a significant milestone for enhancing early childhood education (ECE), our supported Anganwadi workers, Ms. Jyoti Dhalape and Ms. Sheetal Gonjare, received the prestigious **ECA-APER Award 2024 for best practices in ECE**. This award recognises the impact of our comprehensive workshops that equip Anganwadi workers with advanced teaching skills and knowledge. These workshops cover interactive teaching methods, nutritional guidance, and creating stimulating learning environments. Ms. Dhalape and Ms. Gonjare have transformed their centers into vibrant learning hubs, improving educational outcomes and setting a new standard for ECE in their communities.

- Urban ICDS Project Pune District, Maharashtra

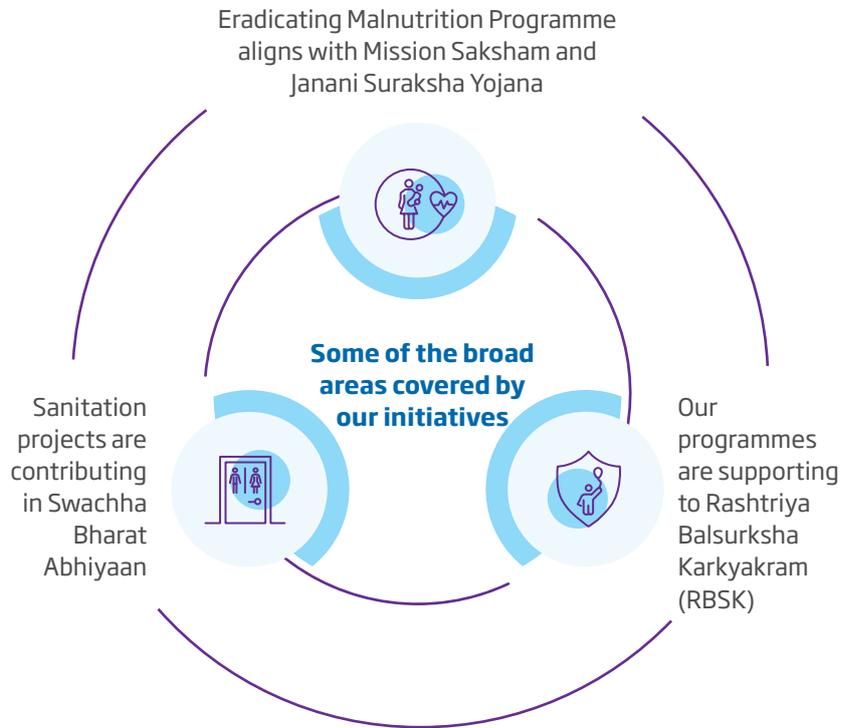


Farmers Field School, Training of Sustainable Farming Practices, Parvathipuram, Andhra Pradesh

Healthcare and Sanitation

Despite progress, clean drinking water, adequate sanitation, nutritious food, and accessible healthcare remain elusive for many in our society. Through our initiatives, spanning across four key themes of paediatric care, malnutrition reduction, healthcare access, and sanitation, we strive to extend the reach of essential services to as many communities as possible. During the FY 2023-24, we undertook a series of interventions nationwide to address these pressing issues and make tangible strides towards creating healthier and more sustainable communities.

The outcomes of our initiatives are in-line with the objectives of National Development Agenda which includes National programmes and schemes like Maternal and Child Health, Janani Suraksha Yojana, Rashtriya Bal Swasthya Karyakram (RBSK) and Swachha Bharat Abhiyan.



Healthcare Support in Rural Areas, Varanasi District, Uttar Pradesh



Pediatric Healthcare

- A number of families from economically weaker backgrounds are unable to provide adequate treatment for their children suffering from congenital heart defects, clubfoot, spina bifida and childhood cancer owing to exorbitant medical expenses.
- Children were supported by medical treatment, counselling, financial aid, post surgery support etc.
- Our pediatric healthcare interventions benefited over **2,624 children** during the year.



Strengthening Healthcare Infrastructure

- We have aided 2 healthcare centers in **Shillong, Meghalaya** through strategic investments in modernising facilities, upgrading medical equipment, and improving overall infrastructure to better serve the healthcare needs of the community.



Healthy Baby Wealthy Nation

- In our underserved communities, child malnutrition and insufficient nourishment for expectant mothers pose significant challenges.
- Through collaborative efforts with our partners, we provided comprehensive health and nutrition guidance to expectant mothers and their families, spanning the pre and postnatal periods.
- These initiatives have positively impacted **1,07,599 households, 31,643 children under age five years old, 5,075 pregnant women and 4,086 adolescent girls in West Bengal, and Odisha.**



Sanitation Programme

- During FY 2023-24, we also contributed towards improvement of sanitation by helping build **428 toilets in the slums in Thane, Ahmedabad and Surat impacting 2,829 people** This was supplemented by awareness sessions on hygienic sanitation practices.



Healthcare Support in Rural Areas

- More than **3,22,396 lives were impacted** through **healthcare awareness, health camps, referrals and distribution of medicines** in Uttar Pradesh, Bihar, Madhya Pradesh, Jharkhand, Uttarakhand and Meghalaya.

Swabhimaan Stories



Triumph Over Adversity: Medical support to fight against Leukemia

Krithika, diagnosed with B-cell Acute Lymphoblastic Leukemia (ALL), faced significant challenges due to her family's financial constraints, as her father, the sole breadwinner, earned a modest income selling sugarcane juice. The cancer care programme stepped in to provide crucial support, offering financial assistance for important medical tests to ensure timely and accurate diagnosis and treatment planning. Additionally, the programme arranged psychological support for Krithika and her parents to help them cope with the emotional impact of the diagnosis and treatment.

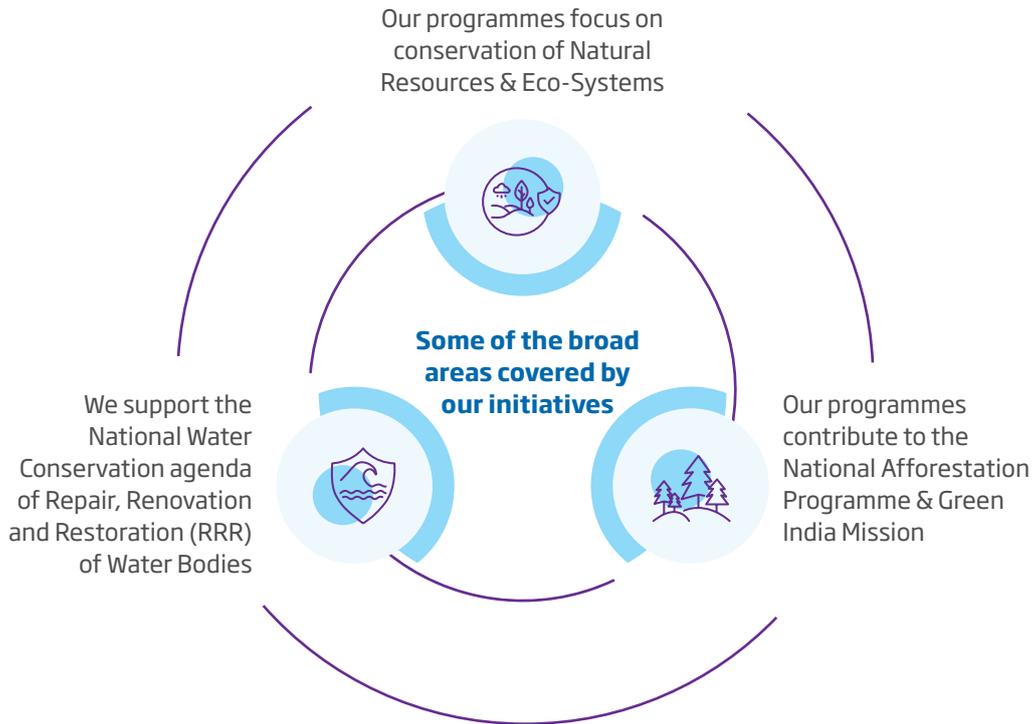
- Krithika E | Age: 11 | Location: Virudhunagar, Tamil Nadu

Environmental Sustainability

In line with our country's commitment to Net Zero goals, we are dedicated to mitigating the carbon footprint resulting from our business operations and enable environment preservation in our communities. Through strategic interventions and partnerships, we are working towards a greener and more sustainable future for generations to come.



Project - 'Trees for Tigers', Similipal National Park, Odisha



Creating City Forests

- We have planted **more than 1,12,094** saplings during the year, **including 19,660 saplings planted in 5 Miyawaki city forests** in Mumbai, Jalna, Nashik **covering 2,25,250 sq.ft**
- **50,000 saplings planted in Punjab and Odisha** to reclaim degraded land as primary forests, strengthen forest-based livelihood opportunities for local communities, protect the habitat of endangered species and combat air pollution.
- As part of rural plantation initiative, **40,884 saplings** were planted in Banaskantha and Mehsana, Gujarat to improve the moisture content of land and provide additional income to **35 farmers**.



Switch to Solar

- To encourage the transition to alternate sources of energy, we installed **rooftop solar systems in 2 schools and 10 healthcare centers in Maharashtra and Assam of capacity 39.97 kWp and 43 kWp** respectively.
- Total **73,514 lives touched** under these initiatives.



Rejuvenation of Waterbodies

- We have successfully **restored 4 water bodies in Tamilnadu and Gujarat covering approximately 58 acres of area**. This has led to increase in water holding capacity, groundwater recharge capacity and improvement in the overall ecology of the area.

Swabhimaan Stories

A Sustainable Waterbody Transformation

In Kanyakumari, the transformation of Lakshmi Pudhu Kulam highlights the potential of environmental restoration. Once neglected and overrun with weeds, this waterbody has been revitalised into a functional rainwater harvesting and storage unit. A dedicated team cleared approximately 16 acres of weeds and excavated 4,000 cubic meters of earth, restoring its capacity and improving groundwater levels. This effort has provided the community with a reliable water source and positively impacted the local climate.

**- Lakshmi Pudhu Kulam:
A Story of Hope and Renewal**

Educational Empowerment through Solar Initiative

Parshuram Education Society (PES), founded in 1918, serves 4,000 students, with around half from low-income families. The school struggled with high electricity costs and shortages. To address this, a 32.6 kWp rooftop solar panel system was installed. This grid-connected solution significantly reduces electricity expenses and promotes environmental sustainability. The panels are expected to generate approximately 45,640 units of electricity in the first year.

**- Parshuram Education Society (PES):
Chiplun, Maharashtra**



Sapling Plantation of Mango Forest, Jalna, Maharashtra



Swabhimaan Agent of Good

We are proud of our colleagues who have embraced the culture of social responsibility, which permeates the organisational fabric of HDFC Life. As responsible corporate citizens, we are committed to making positive changes in the communities we serve. Through initiatives like the Swabhimaan Agent of Good volunteering programme, we strive to combat inequalities and spread joy through acts of kindness.

Fueled by compassion, our growing team of volunteers actively participate in nationwide initiatives, making a tangible impact. Such activities underscore HDFC Life's holistic approach to corporate social responsibility, embodying the values that define us.



Volunteering on Women's Day at a school for marginalised children with Ms. Vibha Padalkar, MD & CEO

Highlights:

Cancer Homes

Our Home-away-from-Home unit in Chennai was created to cater to the growing need for temporary but hygienic stays for children with cancer and their parents. The visiting volunteers got an opportunity to play with the children, celebrate birthdays, and spread joy amongst the parents. The volunteers thoroughly enjoyed the experience.

School for the Visually Impaired

Our kind and compassionate volunteers brought a resounding joy to the visually impaired kids in a blind school in Delhi. Various sensitisation activities and facility tours, including interactive and heart-warming sessions with the beneficiaries, marked the event. Witnessing the resilience, determination and unwavering spirit of the blind kids left an indelible mark on all, reinforcing the importance of our collective efforts in making a meaningful impact on the lives of others.

Tree Plantation Drives

Our volunteers planted over 800 saplings in Ahmedabad, Surat, Delhi, and Vadodara. This effort not only reflects our commitment to sustainability but also underscores the positive impact we strive to have in the communities we serve.



Blood Donation Camps

In collaboration with HDFC Bank, we recently concluded blood donation drives in the Corporate office and the Borivali branch in Mumbai. HDFC Life transformed its workspace into a hub of altruism, with enthusiastic volunteers donating blood to address the critical need for this life-saving resource.

School for the hearing impaired

Young people with hearing impairments interacted with our volunteers from the Jaipur office. The volunteers spent time with these superheroes and even exchanged Diwali greetings with HDFC Life volunteers through the Indian Sign Language.

'Discard to Dignity' - Cloth Donation Drives

The cloth donation drive initially unfolded across ten cities - Bengaluru, Mumbai, Chennai, Delhi, Dehradun, Hyderabad, Kochi, Kolkata, Patna, and Rishikesh. Our Ranchi office also proactively joined the drive and handed proceeds to a local NGO. Our volunteers visited the collection centres to learn about the refurbishing processes of donated items. We appreciate the commendable efforts put by them in going the extra mile.

Human Capital



UN SDGs covered



Our people stand as our greatest strength. We spare no effort to make HDFC Life the foremost workplace in the country. This commitment is rooted in four key pillars of our workplace culture which are integrated into every phase of our employees' journey, right from recruitment to retirement. We are dedicated to fostering a supportive environment that empowers our team members to excel.





The overall wellbeing of our employees is a priority for us. We value their growth, happiness, and mental health, understanding that each person has unique needs. This approach fosters creativity, innovation, and teamwork.



We build trust by maintaining open lines of communication and engagement. Celebrating our employees accomplishments, we believe that every opinion must be valued, regardless of the position or title.

Our culture is built on diversity, equity and inclusivity. We provide equal opportunities to everyone, irrespective of gender, ethnicity, or background. Embracing diversity in all aspects is crucial to our success and creating an inclusive workplace allows us to harness the collective strengths of our teams.

We organise diverse recognition and rewards programmes to recognise and celebrate each employee's achievement, talent, uniqueness and alignment to values. All celebration and fun initiatives go beyond HDFC Lifers and also engage their families.

Employee Strength

Employees by Category	FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total
Top Management	37	6	43	29	5	34
Senior Management	204	38	242	168	30	198
Middle Management	2,113	450	2,563	1,991	419	2,410
Junior Management	21,244	8,394	29,638	21,707	8,099	29,806

Employees by Age	FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total
<30	7,126	4,235	11,361	8,821	4,571	13,392
30-50	16,017	4,567	20,584	14,642	3,911	18,553
>50	455	86	541	432	71	503



Our recognition as one of India's top 10 companies to work for, by Great Place To Work (GPTW) is a testament to our commitment to this culture. GPTW also honoured us with the following awards:



Some other awards received in FY 2023-24





Fostering a Culture of Care & Wellness

At HDFC Life, we care for employees' aspirations and believe that investing in our employees' development is critical to their growth and the Company's success. To achieve this, we have implemented numerous innovative development programmes. In FY 2023-24, we spent ₹ 1,949 per active full-time employee towards their training and development.

Learning and Development Initiatives

Meeting Employees' Professional Aspirations

Our top priority is to create a culture that actively supports our employees' career aspirations. We demonstrate this dedication through various career advancement initiatives, such as Internal Job Postings, recommendation-based promotions, and the Potential Review Process.

New-Age 'My Careers' App

Our 'My Careers' app is a user-friendly mobile portal for job seekers employees seeking growth and cross functional assignments. The platform offers seamless job exploration and application tracking We prioritise transparency and fairness in our programmes, using unbiased evaluations for career growth. Our Internal Job Posting platform encourages cross-functional roles, supported by our Career Microsite for skill development. We are proud to foster a thriving environment focussed on employee potential, innovation, and growth.

Linking Learning to Career Growth

Our industry requires continuous skill development. While we have several institutionalised programmes for all levels, we encourage self-learning through gamified training programmes, like **Step Up and Skill Up on MLearn**, for junior and mid-level managers. These programmes offer internal and external learning opportunities with reward points that promise promotions, offer a promotion assessment waiver or lend an opportunity to access courses from top business schools.

This year, we launched a **microsite with 700+ curated courses** for HDFC Lifers which aided in making enrolment easier and learning more intuitive.



M Learn - our learning app

To cater to our predominantly millennial workforce, 70% of whom rely on mobile apps, we've developed MLearn, a modern learning app. MLearn offers personalisation, recommendations, robust search, and over 700 role-based, bite-sized mobile modules. It incorporates gamification to boost learner engagement, mirroring user-experiences of a popular mobile platform for an enjoyable and relatable learning experience.



Leveraging AI for Skill Development

Using AI based learning

In 2023, we introduced **Skill Shots on MLearn**, offering learners the choice between "Read and Learn" or "Listen and Learn" videos.

Additionally, our AI-powered Skill Training Platform provides real-time scenario-based exercises, with immediate feedback for continuous improvement. This first of its kind Indian Insurance industry initiative emphasises hands-on learning.



Leadership Development: Signature programmes

New Managers Bootcamp

A training programme for newly promoted managers, equipping them with essential managerial skills.

290 first-time managers participated this year.



The Managers Transformation League

Targets high-performing vintage managers who have high attrition and low engagement rate. Training is imparted alongside managers proven to have exceptional managerial skills.

The programme has trained about **510 mid-managers** over the past 3 years, helping them progress on their career paths.



STRIDE

This programme targets high-potential employees to make them ready for future-focused roles. Training is facilitated through multiple learning touchpoints enabling participation online, in-person and over mobile platforms.

About **237 employees** benefited by participating in STRIDE.



Leadership Edge

Our newly launched leadership programme equips mid-managers to excel as both people and business leaders. Over three days of training, areas such as self-management, team dynamics, and business acumen are covered.

It has benefited about **383 mid-level managers** across departments during 17 batches.



LEADERSHIP PATHWAYS

We designed a structured 18-months journey - the Leadership Pathways that focusses on not just leadership behaviours but also covers the integration of other critical factors including tech, data, macro-environment etc. for senior management. The learning journey has commenced with two learning streams:

- **DataTechVerse**
A unique orientation programme on new-age technologies. **183 senior leaders** have been covered so far.
- **MacroEdge**
A training programme on navigating volatility in the macro-economic environment which enables the leaders to make future-ready decisions and design resilient strategies.



PINNACLE

To make our top leadership future-ready equip them with new-age perspectives, we launched a year-long development journey in partnership with a prominent consulting firm. The journey includes self assessment, leadership labs on digital DNA, immersions and multi-rater feedback.

All top leaders of the Company are a part of this journey





Average Hours of Training by Category	FY 2023-24		
	Male	Female	Total
Top Management	6.28	6.88	6.36
Senior Management	8.67	6.38	8.31
Middle Management	25.43	15.08	23.61
Junior Management	75.95	77.93	76.51

Average Hours of Training by Age-group	FY 2023-24		
	Male	Female	Total
< 30	83.88	83.93	83.90
30-50	65.74	66.36	65.88
> 50	40.78	31.57	39.32

Average Hours of Training by Type	FY 2023-24		
	Male	Female	Total
Anti-corruption	0.02	0.02	0.02
Others	0.65	0.64	0.64

Fostering Employee Wellness

We prioritise our employees' aspirations, growth, happiness, and psychological safety, recognising each as a unique individual, not merely a resource. By investing in their wellbeing, we cultivate creativity, innovation, and collaboration in our work environment, embodying our commitment to care.

Wellbeing Initiatives

Wellness Wellbeing Employee Resource Group (ERG)

The newly formed Wellness and Wellbeing Employee Resource Group (ERG) with **367 members and led by a senior sales leader**, promotes employee well-being through weekly programmes on topics including fitness, sessions on parent-child relationships, mental health and women's health. These programmes were attended by over 1,200 employees and their families.

Fitness Hour

The programme organised by the Wellness and Wellbeing ERG, reached over **21,000 employees** spread across 32 sessions, which included meditation, mindfulness, and yoga, contributing to overall health and stress management.

Mental & Emotional Wellbeing Policy

Launched this year, the HDFC Life Emotional & Mental Wellbeing Policy fosters a supportive workplace, promoting mental and emotional health for all employees and their

family members. It encourages resilience-building practices and open acknowledgment of challenges. The policy provides comprehensive support, including a 24x7 Employee Assistance Programme.

Health, Safety and Emergency Preparedness

At HDFC Life, the health and safety of our employees is a top priority for us. We are dedicated to fostering a culture of wellness, where the safety and well-being of our workforce are given utmost importance. In line with the foregoing, we have formulated a Health and Safety Policy articulating our strategic intent within the space.

While our day-to-day operations involve providing insurance and do not typically involve hazardous or life

threatening activities, we recognize that unforeseen events like fire breakouts or natural calamities can pose risks to our employees. In order to address these potential safety concerns, we conduct periodic fire safety and emergency preparedness training, along with mock drills, at our office locations. The objectives of these training workshops are multifaceted:

- Create awareness among employees regarding the importance of safety and the risks associated with safety related incidents
- Foster a safe working environment for all employees
- Familiarize employees with basic fire protection systems, including different types of fire

extinguishers and their proper usage

- Educate employees about emergency evacuation procedures specific to their workplace
- Improve individuals' response and preparedness in the event of any safety-related incident

In addition to the above mentioned trainings and mock drills, we have in place SOPs for conducting mock drills and ensuring workplace safety. Besides, we have also developed self learning modules on 'Safety training' and 'How to make an emergency evacuation plan' as well as guidelines for selection, installation and maintenance of fire extinguishers. All these documents are accessible to the employees on the intranet.

By focusing on these objectives, HDFC Life aims to prioritize the health, safety, and well-being of its employees while ensuring a proactive approach towards potential safety risks.

POSH Act

We are committed to preventing and addressing sexual harassment at work with a zero-tolerance policy. Pre-dating the POSH Act of 2013, we established four Internal Committees (ICs) overseen by an Apex committee. After resolving cases, we follow up with complainants after 30 and 90 days to check their wellbeing.

Mandatory online POSH training and awareness campaigns are conducted regularly, supplemented by classroom training. At HDFC Life, employee safety is our top priority, and we continuously enhance our policies.

Employee Safety

We prioritise employee safety to maximise their performance. Introducing innovative measures, like our carpool facility, ensures convenience and security. Through a user-friendly app, employees can share rides, enhancing safety, particularly for female colleagues. Additionally, we provide drop services to nearby transportation hubs for those leaving office after 7 pm.

Inculcating Respect & Trust Among Employees

We foster trust and inspiration among our employees by prioritising open communication. Our leaders engage in frequent, meaningful dialogue with team members, promoting approachability and a continuous exchange of ideas. This culture of transparency and collaboration sets us apart, resulting in a unique, free-flowing environment that has contributed to maintaining a lower absentee rate of 2.46% over the past fiscal year.

Our Culture Pledge: Leadership Credo

Our managers pledge to uphold our culture of warmth, support, and growth through the Leadership Credo. The pledge is **signed by 100% of our managers** who have set the culture of becoming role models for their teams. This is in addition to the existing EPICC cascade framework and Code of Conduct; and has a dedicated email ID where employees can report any inappropriate behaviour or share positive culture stories.



Multipronged Communication

We utilise various channels for EPICC values cascade and communication: such as panel discussions, podcasts, case studies, WhatsApp teasers, and screensavers.

CEO Speaks: A quarterly organisation-wide two-way CEO Townhall

Our quarterly CEO town halls encourage direct interaction, keeps employees informed through key business updates, goals and new initiatives and inspire them through Company's culture, vision, appreciation and awards.

Head of Department (HoD) Connect

Our HoDs and the Executive Committee conduct townhalls to share Company strategies, vision, and also hear employees' concerns and ideas.

Culture Chronicles

Our leadership panel-discussion series which reinforces our culture, ethics, ethos and values, **engaging all HDFC Lifers** across our Culture Chronicles events this year.





Surveys & Feedbacks

Collaboration survey

In addition to an annual ESAT, we also have quarterly surveys to gauge team collaboration, with around **76% reporting positive experiences.**

SENTimeter

Our real-time feedback tool provides insights on retention, engagement, and leadership effectiveness with a **99.3% response rate.**

Rekindling HDFC Life Values

Value Cascade

Through a top-down approach in our values cascade, we empower our top leadership to serve as role models, setting the context for our team.

Five Executive Committee members were appointed as Chief Values Officers (CVO) with specific geographical responsibilities across several states. Each carried the responsibility of overseeing teams of Value Ambassadors and Value Guardians mapped against their respective regions. Each CVO visited areas where EPICC alignment was low.

Values Training Content

We developed a robust content library on values, including case studies, videos, quizzes, comic strips, pledges, and e-learning courses that are easy to understand, relevant, and relatable for HDFC Lifers.

Value Ambassadors and Value Guardians can choose suitable content formats to cascade values based on regional/local challenges.

Strengthening Rewards and Recognition for Values Promotion:

In addition to our existing Values awards like Customer Centricity, Employee of the Year & Quarter, Best Project, and Best Collaboration, we **introduced the "Best People Manager Award" in 2023** to honor managers fostering a positive culture in their teams and embodying EPICC Values. Selection criteria include retention rates, Employee Satisfaction (ESAT), performance ratings, Values alignment, and feedback from internal tools.



Fun & Celebration

At HDFC Life, we excel in balancing work and fostering connections with colleagues through engaging team-building activities both in and out of the office. Throughout the year, our HR teams across regions curate unique initiatives aimed at promoting employee happiness and overall wellbeing. We foster a sense of unity as "One Community," celebrating festivals and special days together across cultures with our teams.



Involving Employees' Families to Foster Belonging

We prioritise family involvement to strengthen our culture. Initiatives include **parental wellness sessions (771 attendees)**, **"Little Strokes" painting competition (4,500 entries)**, **"HDFC Life Got Talent Season 4" (1,500 entries with 150+ family members)**, **"Bring Your Parents to Work" meets (25+ events, 257+ parents)**, and **Academic and Special Excellence Awards for employees' children (65 recipients)**.

Families of the Employee of the Year, Loyalty Awardees and Little Strokes winners were invited to our annual Sparsh event. The children of these employees enjoyed their day with a city tour and play time at a popular play zone in Mumbai.

Celebrate Life Magazine

Since October 2023, we have been publishing a quarterly magazine, "Celebrate Life," to keep employees and their families informed about the Company news, showcase special employee moments like awards, and honor employee families.

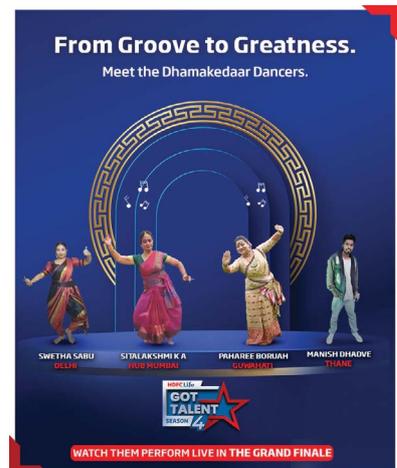
Introduced by our CHRO and MD & CEO, its core mission is to celebrate all employees, their families and their contributions to HDFC Life.

It is being experienced by around **30,000 employees**.

Celebrating Kindness @ HDFC Life

At HDFC Life, we celebrate kindness among peers through our Kindness Campaign, showcasing stories of going the extra mile for colleagues. Our Kindness Walls display these stories, fostering a culture of gratitude and bonding among HDFC Lifers.

Senior leaders anchored Kindness Hours (a Ted Talks like platform), celebrating these kindness gestures in May and June of 2023.





Celebrating Milestones & Festivals

With more than 500 locations, our geographic diversity is vast. We embrace inclusion by involving employees from all regions in our initiatives. Local HR teams mark local festivals and important days, ensuring every branch member feels part of HDFC Life, fostering a sense of belonging.

Our Annual Event - Sparsh saw 2,747 online and in person attendees.

These celebrations are integral to us and unite all of us as the

“Lives in HDFC Life”



Our Transparent Performance Management Program

Embedded within our performance management system are the Balanced Score Card principles, which evaluate each employee based on organisational scorecard parameters. The scorecard covers holistic parameters including financials, markets, customers, people, sustainability, and other operational areas for fair assessment.

Some of our key performance management procedures are summarised below:

- Frontline Sales (FLS) teams and senior management receive biannual performance feedback
- The FLS appraisal framework, called 'STAR - Sales Team Appraisal and Recognition,' is objective, linked to the scorecard, and is unbiased since it has no major subjective assessment from line managers
- Senior leadership's annual bonus payouts depend on individual and organisational balanced scorecard performance

Our Fair & Competitive Compensation Philosophy

HDFC Life is committed to creating and sustaining a high-performance culture through a competitive compensation strategy. Our compensation philosophy is based on the following principles:



Pay for Performance

Annual increments are tied to KPIs and short-term incentives are linked to individual and business performance. Long-term incentives are awarded based on both performance and potential.



Integrity & Fairness

All employees are treated fairly, consistently and equitably concerning compensation and benefits, based only on their performance and potential.



Competitive and Market-Related Pay

Benchmarked against market medians for experienced employees who 'meet' expectations.



Transparency

Detailed compensation information, queries and grievance support are available on e-Sparsh, our online grievance portal or through the HR Business Partner.

As part of our commitment to transparency at HDFC Life, we provide a concise analysis of gender pay indicators. Our ongoing hiring initiatives are specifically designed to improve our performance in these areas, ensuring continuous progress and equality across our workforce.

Long-Term Incentive Pay

We offer multiple cash LTIP schemes, each with a two-year vesting period, aimed at attracting top talent, retaining deserving employees, and incentivising senior staff to contribute to long-term corporate growth. These rewards are granted to employees who surpass performance expectations.

Employee Stock Options (ESOP)

Stock options are granted to qualifying employees based on recommendations from senior management and approval by the Nomination and Remuneration Committee (NRC). While primarily available to senior leadership, high-performing middle- and junior-level employees recognised as 'Employee of the Year' also receive ESOPs as appreciation for their contributions. Grants are merit-based, considering performance, potential, and conduct, subject to NRC approval. Our rigorous process ensures fairness and transparency, with options subject to revocation for misconduct or policy breaches.

Gender Pay Indicators

Management Level	Female to Male Avg salary ratio
Senior Management	108%
Middle Management	93%
Junior Management	84%

Salary used is annualised remuneration paid in FY 2024 excluding SA, NPS, Superannuation and ESOP perquisite



We recognise and reward exceptional performance and values alignment through various awards:

29 Employee

of the Year Awards across our offices

2,064 Loyalty

Awards for service milestones

1,476 Employee

of the Quarter Awards.

13

Best People Manager Awards for exceptional people skills



Inclusion for all

At HDFC Life, we champion diversity and inclusion through our 'Celebrate YOU' brand, offering equal opportunities regardless of gender, age, race, religion, disability, or marital status. Our inclusive talent-acquisition programmes ensure a level playing field for all to pursue their career goals. We take pride in fostering a respectful work environment that values diversity of thought, culture, language, experience, and education, promoting both professional growth and individuality.

Diverse Hiring

At HDFC Life, we implement a range of comprehensive hiring programmes tailored to attract diverse talent pools. Our programmes include

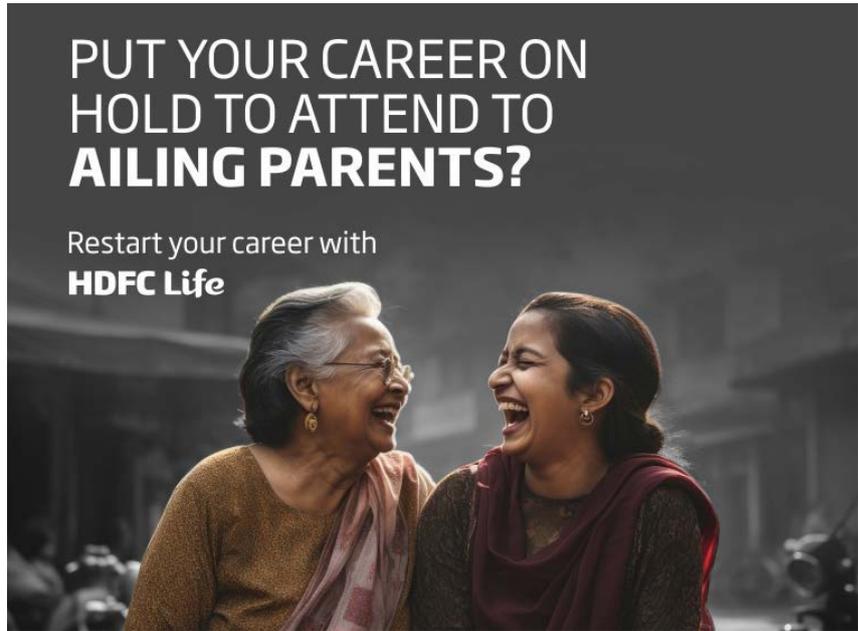
Jigyasa, our flagship hiring initiative for management graduates from top business schools; and Graduate Trainee programme which inducts fresh talent from top engineering schools into HDFC Life's Technology, Data and Analytics teams. We also have Executive Trainee programme that feeds fresh talent into our sales machinery. Our University Alliance is another strong feeder into our sales talent pipeline that gives us access to trained talent pool. Additionally, we have **#MyJobMyTerms**, which offers gig opportunities to professionals who prefer flexible work arrangements.

We also have **Punaragaman**, a programme that encourages women, especially those on a career or maternity break, to return to work



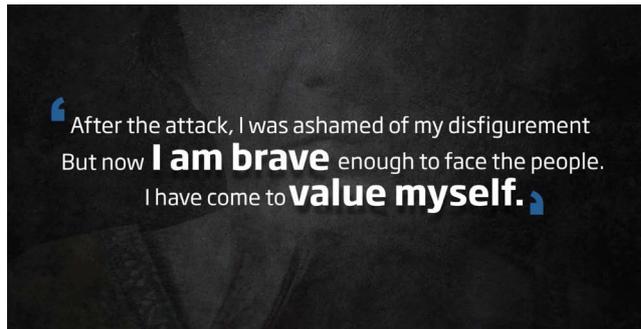
through flexible assignments. Lastly, our referral programme encourages employees to recommend talented candidates for job openings and invite their friends to work with us.

At HDFC Life, we are also committed to supporting individuals who have served our country. We actively recruit veterans for relevant roles and provide job opportunities to officers and jawans from the Indian Army recognising their valuable experience acquired during military service.



Programme Shakti

Programme Shakti supports acid-attack survivors and aims to give them a life of pride. We provide roles tailored to their strengths, believing in equal opportunities for all, irrespective of circumstances.



New Hires

Employees by Category	FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total
Top Management	2		2	1	1	2
Senior Management	22	5	27	25	2	27
Middle Management	308	67	375	391	89	480
Junior Management	10,676	4,627	15,303	14,381	5,701	20,082

Employees by Age	FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total
<30	5,322	3,029	8,351	6,714	3,494	10,208
30-50	5,665	1,668	7,333	8,046	2,297	10,343
>50	21	2	23	38	2	40

Employees by Function	FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total
Sales	10,450	4,298	14,748	11,021	4,073	15,094
Non Sales	558	401	959	3,777	1,720	5,497

Employee Turnover Rate

Further, the total average employee turnover rate for FY 2023-24 remained at 48.3% while, the voluntary employee average turnover rate was 35.8%.

Employees Turnover by Category	FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total
Top Management	0.0%	18.2%	2.6%	19.2%	0.0%	17.2%
Senior Management	11.3%	2.9%	10.0%	14.5%	3.8%	12.7%
Middle Management	16.9%	20.0%	17.4%	16.6%	21.7%	17.5%
Junior Management	50.8%	52.2%	51.2%	46.8%	51.9%	48.2%

Employee Turnover by Age	FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total
<30	64.7%	59.6%	62.8%	70.5%	70.4%	70.5%
30-50	40.4%	42.4%	40.8%	34.8%	35.8%	35.1%
>50	18.5%	15.5%	18.0%	9.5%	3.6%	8.5%

Women at HDFC Life

Women are vital to our success, and we recognise the obstacles they overcome to establish a flourishing career. Juggling career and domestic duties is tough. That's why at HDFC Life, we have taken steps to support our female colleagues in balancing work and life commitments. Our gender breakdown shows progress towards inclusivity:

- In FY 2023-24, 26.9% of our total workforce are women.
- In management, women hold 27.4% of positions across all levels, including 28.3% in junior management and 14% in top management roles.
- In revenue-generating functions like sales, 10% of managers are women, and 31.4% of our STEM positions are held by women, reflecting our commitment to diversity and opportunity.



Maternity Transition Programme

Our Maternity Transition Programme offers 26 weeks of fully paid maternity leave. Our programme also assists expectant mothers, their line managers, and the respective Business HR teams adjust to this change in order to facilitate a smooth transition to motherhood. We also support leave for adoption and surrogacy.



Flexi Work

We offer flexible work options for women, allowing shifts and locations of their choice.



Women ERG

Last year, we had launched the Employee Resource Group - WIN (Women in Insurance). The mission of WIN is to make HDFC Life the launchpad for women leaders and a strong talent magnet for women in the country. And above all, make HDFC Life culture even more inclusive for women colleagues. By moving the DEI goals from Human Resources to the everyone at HDFC Life, this ERG will work towards creating a more bias-free culture that empowers women colleagues and help them grow in their careers. A very senior sales leader came forward as a sponsor to this ERG.



"Beyond Stereotypes"
Celebrating Women @ HDFC Life

Ankur Shah
Group Head - Proprietary business
In fireside chat with four proud HDFC Lifers

Eshwari Murugan
Appointed Actuary - Actuarial

Sareeta Gautam Bhatikar
Head - Human Resources

Mamta Gupta
A/P - Product

Kavita Bothra
Financial Consultant

Catch the session live on Microsoft Teams
Date: 7th March 2024
Time: 3:00 PM to 4:30 PM

Celebrating Women's Day

In March, our Women In Insurance ERG (WIN ERG) dedicated each day to celebrating women at HDFC Life. Events and workshops throughout the month included a fireside chat titled 'Beyond Stereotypes,' led by Ankur Shah, Group Head - Proprietary Business and WIN ERG lead, featuring four accomplished women leaders from various teams.

Specially Designed Workshops for Women

We held workshops to empower our female colleagues. The financial planning session gave quick tips on managing finances to women colleagues and HDFC Lifers' spouses. A personal branding workshop covered power dressing, emotional intelligence, and growth mindset. The 'Design your Future Self' workshop focussed on 'Prospection' to empower mid-career women leaders. These workshops engaged 300 women across leadership levels.

Celebrating Women @ HDFC Life campaign

Under this campaign, we spotlighted stories of junior and mid-level women leaders, showcasing their challenges, support from HDFC Life, and successes.

Celebrating
Women @ HDFC Life

Sneha S
AVP - Retirement & Pension

"In June 2014, I began my journey at HDFC Life as a Management Trainee. Over nearly a decade, I've taken four promotions, IJPs to experience different departments, and earned multiple awards. What sets HDFC Life apart is its culture - an inclusive celebration of women's contributions. From pilot projects to strategic decision to being nominated for the prestigious Jombay 1000 Women Leaders Program, I've been valued and empowered. This decade marks my evolution from a young trainee to a confident leader. Grateful for the journey, HDFC Life will always hold a special place in my heart."



Appreciation Week @ HDFC Life

We marked 'Appreciation Week,' to celebrate the women in HDFC Lifers' lives with gratitude cards acknowledging their diverse roles as spouses, mothers, colleagues, daughters, sisters, mentors, and team members. We also shared appreciation cards with women financial consultants in all branches.

Veteran's Talk Show

We celebrated Armed Forces Veteran's Day by organising a panel discussion with our in-house veterans.

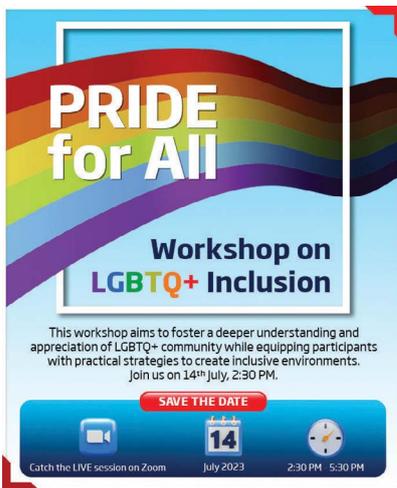


Celebrating LGBTQIA+

Pride month

We proudly support LGBTQIA+ inclusion at HDFC Life. Our Life of Pride ERG is dedicated to ensuring a safe and welcoming environment for all. Key initiatives include:

Training sessions on LGBTQIA+ terminology and best practices, attended by **70 ERG members**.

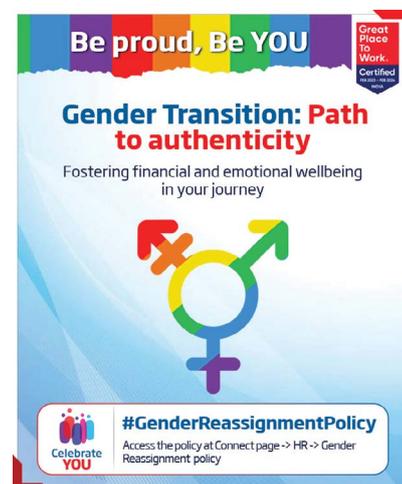
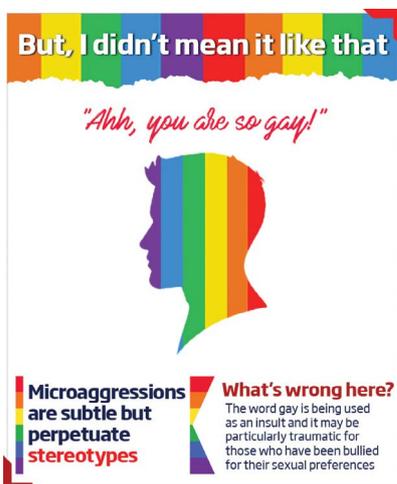


A talk show featuring rainbow parents to raise awareness of LGBTQIA+ children's specific needs, attended by **1072 employees**.



Celebrating Pride month with campaigns promoting inclusive policies and addressing micro aggressions affecting the Pride community.

We offer LGBTQIA+ mental health counseling. Further, our gender reassignment policy supports transitioning employees while, our Mediclaim policy recognises same-gender partner nominations.





Natural Capital



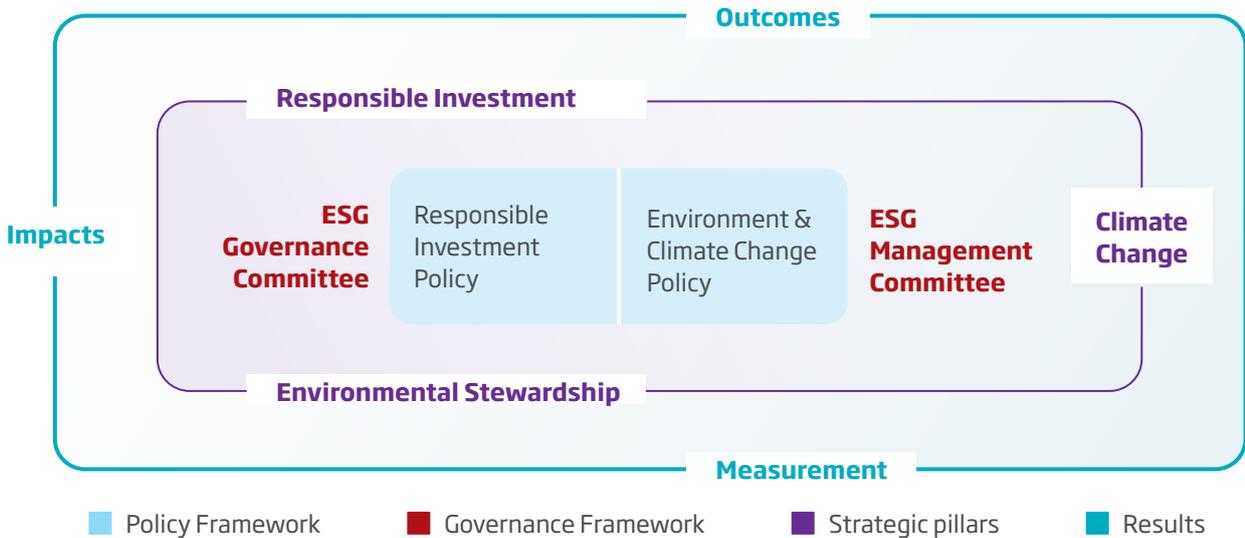
UN SDGs covered



Our commitment to natural capital underscores our awareness of the imperative for responsible stewardship and efficient utilisation of our planet's resources. With a steadfast focus on sustainability, we advocate for practices that safeguard the environment and ensure a resilient future for generations to come. We strive to harmonise our business operations with ecological preservation through strategic initiatives and partnerships, embodying our dedication to corporate responsibility. By prioritising the conservation of natural resources, we reinforce our pledge to safeguard the well-being of our planet, policyholders, and society. The natural capital framework is built on solid foundation of policy and governance structure, and three key pillars of environmental stewardship, climate change and responsible investment.



Natural Capital Framework



Policy Framework

Two key policies guide our efforts on natural capital

The Environment & Climate Change Policy articulates our approach to understanding and managing our environmental and climate risks, impacts and opportunities. The Policy includes aspects of environmental stewardship, our position on climate change and our commitment to responsible investment.

The Responsible Investment Policy further governs the Responsible Investment agenda. The Policy lays out our approach to integrating sustainability criteria into the investment decision-making process, underlying governance, and exclusion criteria.



[Learn more about our Environment & Climate Change Policy](#)



[Learn more about our Responsible Investment Policy](#)

Governance Framework

We have established a robust multi-tiered governance framework to manage natural capital topics. The governance model spreads across board-level, management-level and execution-level to provide strategic insight, enable execution and drive outcomes to mitigate negative impacts.

Level	Entity/Committee	Role/Responsibility
Board-level	CSR & ESG Committee	Overall accountability to oversee and provide strategic steer on ESG topics and monitor progress
	Risk Management Committee	Oversees policy implementation and operational controls for ESG risk, including climate change
Management-level	ESG Management Committee	Oversees the execution of ESG strategy in line with Board-approved policies
	ESG Governance Committee	Reviews and guides on ESG integration into investment decisions
Execution-level	Risk Management Council	Articulate, monitor and review risks and mitigation measures, including climate risk
	Cross-functional teams	Cross-functional teams led by Head of ESG working on reducing environmental impacts through various initiatives
	ESG Specialists	ESG specialists evaluating the ESG risks at investment level to provide inputs to ESG Governance Committee
	Risk Management Team	Dedicated team to manage various risks, including emerging climate ESG & Climate risks



Performance highlights and initiatives for FY 2023-24

We have continued undertaking various initiatives to reduce the environmental impacts. Some of the key performance highlights and initiatives during the year are:



Waste Management Initiatives

Recycled / disposed 5.3 tonnes of e-waste

6.5 tonnes of paper waste and 0.1 tonnes of plastic waste



Energy and Water

Total purchase of 471.9 MWh energy from renewable sources (wind energy)

Total consumption of 4,62,793.28 kilolitres of water across branches and offices



Reducing Carbon Footprint

Plantation of 1,12,094 saplings under CSR initiatives

Development of 5 Miyawaki city forests covering 2,25,250 sq. ft

Installation of 82.97 kWp solar panels in 2 schools and 10 government hospitals, capable of generating 30.96 MWh annually and off-setting 29.41 MtCO₂e



Digitisation

Introduction of e-forms, online documentation, e-business and id cards for employees resulting in reduction in paper usage

Issue of DEMAT account for 30% new insurance policies; encouraging policyholders to opt for dematerialised or online copies of their policy documents



Responsible Investment

Submitted our voluntary UN-PRI report for the calendar year 2022

Our 'Sustainable Equity Fund' grew by more than 50% in FY 2023-24 and has a total of ₹ 20.29 crore in assets under management (AUM)

Climate Change

Climate change continues to pose increasing risk to businesses, with extreme weather emerging as the top risk as per the World Economic Forum¹. Integrating climate risk into the overall risk framework is also becoming a key topic for the regulatory push. During the year, the Reserve Bank of India published a 'Draft Framework on Climate-related Financial Risks,' modelled on the Task Force on Climate-

related Financial Disclosures (TCFD) framework and Basel Committee Principles for effectively managing climate-related financial risks.

We continue to refine our risk strategies to evaluate climate-related risks and develop and deploy appropriate risk mitigation strategies. We aim to make tangible progress on climate risk evaluation in the upcoming coming years, also considering

the readiness for impending regulatory requirements on climate-related financial risk disclosures. This will enable us to evaluate and adopt appropriate targets. We have continued to evolve the reporting metrics on GHG emissions to include intensity metrics. Our disclosures in the section are in accordance with the TCFD recommendations.

Governance

The governance on climate related issues is closely aligned to ESG governance with climate change being one of the top material topics for us. The Board of Directors have the ultimate responsibility to set strategic direction and risk appetite, including on ESG issues such as climate-related risks and opportunities. The board-level oversight of climate risk is integrated with Risk Management Committee which has the overall responsibility to oversee risk policy implementation and operational controls. The committee is supported by Risk Management Council (RMC) which articulates the risks and manages risk mitigation measures. The RMC reviews updates on climate-related risks, including evolving governance structures and

exposure to sectors and countries with heightened risk profiles, across both financial and operational domains. Recognising the growing understanding of risks associated with climate change, our RMC has identified climate risk as a significant emerging concern, underscoring its scale of impact at global and local levels. Climate-related performance including emissions management and related initiatives is reviewed by the ESG Management Committee, with the oversight at board level lying with CSR & ESG committee. ESG Management Committee, under the leadership of the Executive Director and Chief Financial Officer (CFO), and the Risk Management Committee enforce policies and operational controls for ESG risks, including those pertaining to climate

change. The ESG Management Committee conducts routine reviews, typically on a quarterly basis, to evaluate emerging climate risk factors and explore potential mitigation strategies. The ESG Governance Committee constituted under the Investment team is tasked with responsibilities of review and integration of ESG criteria including climate change in investment decisions.



Learn more - pg 36 on ESG governance, structures, roles and responsibilities.

¹ *WEF Global Risks Report 2024*





Strategy

Climate risk is a vital component of HDFC Life's ESG framework, and in 2020, we introduced an enterprise risk management framework specifically tailored to monitor unpredictable risks characterised by a high level of uncertainty. We are continuously refining the process and structure for identifying and mitigating climate risks and opportunities within our organisation. This ongoing endeavour is aimed at reducing the impact of climate-related risks on our financial performance. We recognise the importance of prioritising local conditions and regulations in developing strategies to address these risks.

The assessment of physical risks affecting our branches and offices across various regions in India was conducted in the previous reporting period. This evaluation considered the diverse climatic zones where the branches are situated and resulted in climatic zone and associated physical risks based categorisation. Following this assessment, we have developed overarching risk mitigation strategies tailored to its specific climatic zone and physical risk profile. These strategies are currently undergoing management review for comprehensive and cohesive implementation, taking into consideration the unique characteristics and context of each area. The strategies will account for local conditions, available resources, and regulatory requirements, ensuring effective risk management across different risk zones.

The various climate-related physical and transition risks for us are categorised below. The transition risks can also translate into potential opportunities.

1. Physical Risk: Risks to our physical environment as a result of global warming and changing climate patterns. These risks are anticipated to result in heightened occurrences of extreme weather events, potentially resulting in economic losses for both our clients and our Company.

2. Transition Risk: The transition towards a low-carbon economy poses a risk for the second category. The initiatives undertaken by governments, institutions, and businesses to expedite this transition may result in policy and regulatory interventions, or changes in demand and behaviour, potentially leading to financial implications for both our customers and clients, as well as for HDFC Life. However, this transition also presents opportunities to assist clients in adopting new technologies and business models. The magnitude and severity of these impacts will be influenced by the pace of transition that the world's economies undergo in the years to come.

These risks are evolving in nature and we continue to learn more with our analysis and research on these topics. The regulatory focus on climate-related risks will further accelerate the adoption and integration of climate-related strategies.

Risk Management

HDFC Life has established a comprehensive ESG framework aimed at minimising the impact of its operations on the climate. Within this framework, we have implemented a Responsible Investment Policy, which serves as screening criteria for our investment decisions.



[Learn more - pg 89 on Responsible Investment](#)

To identify climate-related risks, the HDFC Life Risk team conducted an emerging risk survey among top management. This survey aimed to track the evolving perspectives of senior management regarding emerging risks over time. It included participants from both Executive Committee (EC) and non-EC members. Climate change emerged as one of the top ten emerging risk themes out of the 16 identified risks. Specifically, the following climate risks were highlighted:

- Increase in pollution
- Climate change
- Extreme weather events
- Fresh water crisis
- Wildfire
- Biodiversity loss, which could have irreversible consequences for the environment, leading to severely depleted resources for both humankind and industries.

At HDFC Life, our management of climate risk is shaped by our overarching strategy and is aligned with the policy and regulatory requirements of the regions where we operate. Recognising the significance of climate issues to our organisation, we have elevated climate risk to the level of principal risk. Our further efforts in the coming year to establish a climate-risk assessment approach in alignment with the impending RBI's Disclosure Framework on Climate-related Financial Risks will help develop more robust strategies to address climate-related risks.

At present, the Board of Directors, with support from the Corporate Social Responsibility (CSR) and ESG Committee, ESG Management Committee, and Risk Management Committee, takes proactive measures to address ESG risks, including those associated with

climate change. These committees work collaboratively to ensure that ESG considerations are thoroughly accounted for and seamlessly integrated into our overarching risk management framework and business strategy.

Metrics, Targets and Performance

We are currently refining our strategies and risk management protocols to address climate-related challenges and align our targets accordingly. Our overarching objective is to effectively manage our operational footprint by minimising

total greenhouse gas (GHG) emissions and intensities, reducing waste generation, transitioning to renewable energy sources, and enhancing energy and water efficiency. Simultaneously, we are in the process of establishing metrics and targets to monitor our progress in implementing climate strategies, with ongoing development of methodology. We remain committed to optimising resource consumption across our facilities, promoting material reuse, and enhancing indoor environmental quality.

GHG Emission Management

Last year, we began the disclosures on our greenhouse gas (GHG) inventory as significant starting step forward in managing our GHG emissions. In the fiscal year 2024, our Scope 1 emissions primarily stemmed from fuel consumption in diesel generators and company-owned vehicles (both petrol and diesel), as well as GHG emissions from fire extinguishers. Our Scope 2 emissions consisted of emissions resulting from purchased electricity from the grid. Our Scope 3 emissions included emissions from air travel, car/cab travel, employee commute and waste generated from operations.

Emission Scope	Operational boundary	Emission source	Emission (tCO ₂ e)	Total emissions (tCO ₂ e)
Scope 1	Direct emissions	Fuel consumption in company-owned vehicles	5.59	161.83
		Diesel consumption in DG sets	156.24	
		Fire extinguishers	0	
Scope 2	Indirect emissions	Purchased electricity (for data centers and offices)	10,757.34	10,769.8
Scope 3		DG Sets with no operational control	12.46	6,563.75
		Air travel	2,969.99	
		Car/cab travel	161.54	
		Waste generated	0.26	
		Fuel & Energy	1,742.13	
		Employee commute	1,689.83	

GHG Emissions calculation methodology:

Our GHG inventory calculations are based on the GHG Corporate Accounting and Reporting Standard. The boundary conditions are similar to those considered in the previous year.

Key updates to the methodology:

Scope 1: Prior year data categorised company owned leased cars to employees as Scope 1. However, a reclassification to Scope 3 Category 7 (Employee Commute) is done based on a review of the lease scheme policy which states that premium costs will be borne by employees.

Scope 2: Reduction is mainly due to a reduction in electricity consumption.

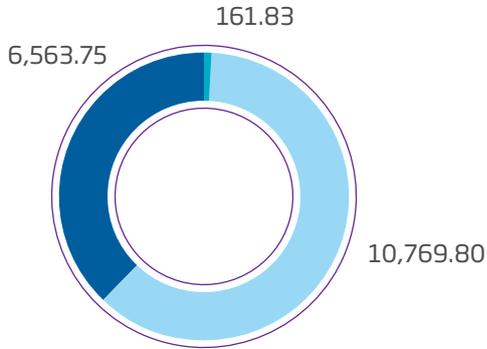
Scope 3: Category 7 - Employee Commute: Emissions from company owned cars leased to employees has been considered.

Category 3 - Fuel & Energy: Indirect emissions associated with the production, transmission and delivery of fuels and energy purchased by HDFC Life.



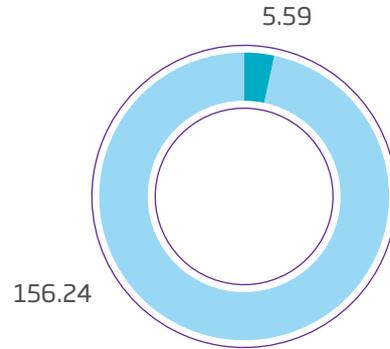
Performance

GHG Emissions (tCO₂e) in FY 2023-24



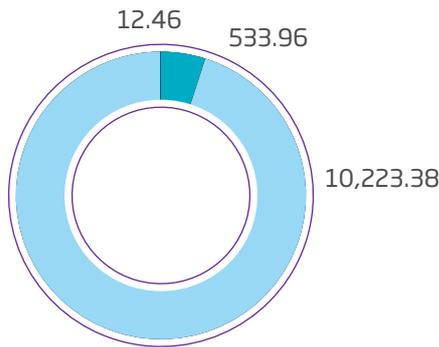
■ Scope 1 ■ Scope 2 ■ Scope 3

GHG Scope 1 Emissions (tCO₂e) in FY 2023-24



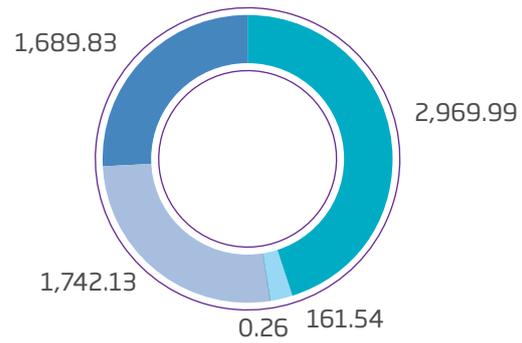
■ Company-owned cars ■ Diesel generators

GHG Scope 2 Emissions (tCO₂e) in FY 2023-24



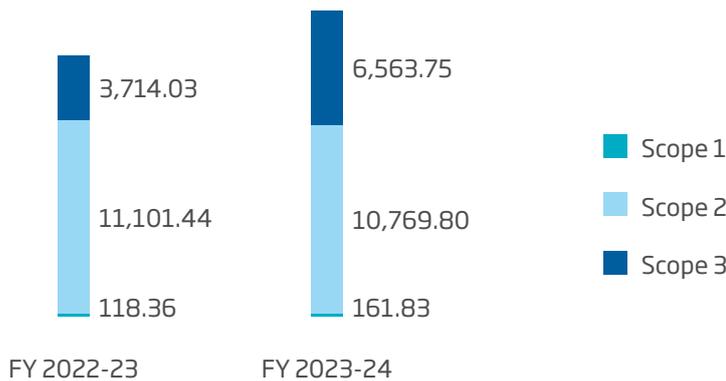
■ GHG emissions for consumed electricity at co-located data centres
 ■ GHG emissions for consumed electricity at offices
 ■ DG Set Emissions (No Operational Control)

GHG Scope 3 Emissions (tCO₂e) in FY 2023-24



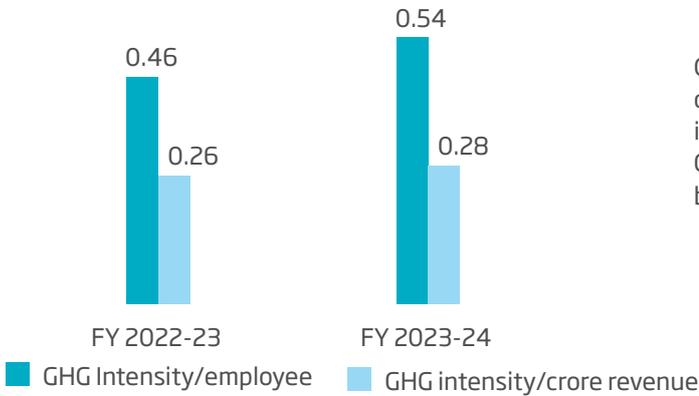
■ Air Travel ■ Car/Cab Travel
 ■ Waste generated ■ Fuel & Energy
 ■ Employee commute

GHG Emissions (tCO₂e) in FY 2022-23 & FY 2023-24



■ Scope 1
 ■ Scope 2
 ■ Scope 3

GHG Emissions Intensity for FY 2022-23 & FY 2023-24



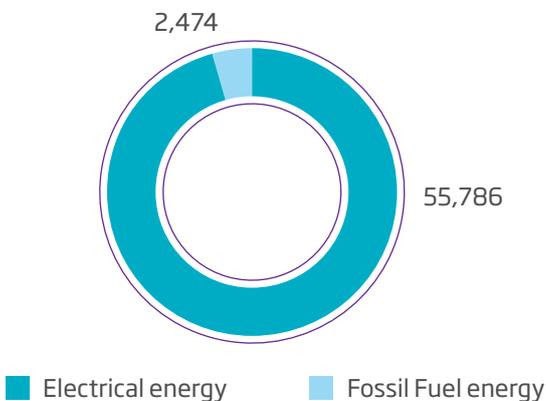
Our overall GHG emissions have increased by 17.15% compared to last year. Similarly, the GHG emissions intensity (tCO₂e / employee) has increased by 17.4% and GHG emissions intensity (tCO₂e / INR Crore) has increased by 7.7%.

Environmental Stewardship

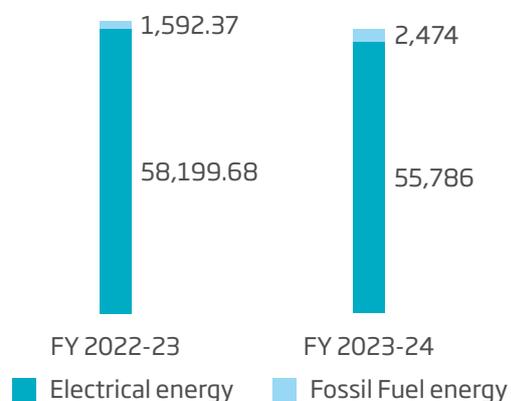
Energy consumption

Electrical energy consumption through grid contributes to more than 93% of all the energy usage. In the fiscal year 2024, our operating sites used 15,024.22 MWh of electricity. Diesel fuel powered our diesel generators while petrol and diesel both were used in our company-owned vehicles. Throughout the year, we used about 69.53 kiloliters of fossil fuel, mostly diesel. The electricity consumption has decreased by 4% compared to last year, while we used 57% more fuel during the same period.

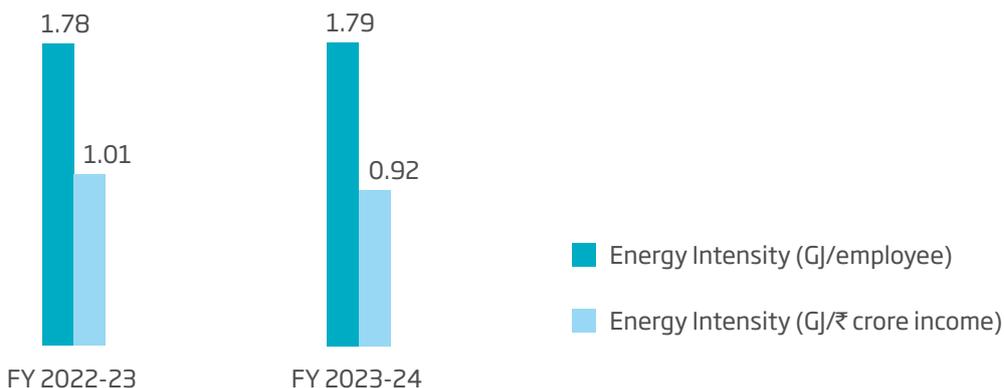
Energy Consumption (GJ) in FY 2023-24



Energy Consumption (GJ) in FY 2022-23 & FY 2023-24



Energy intensity for FY 2022-23 & FY 2023-24





Energy management for low-carbon growth

We are continually making efforts to optimise our energy consumption by managing both supply-side and demand-side requirements. On the demand-side we are undertaking concerted efforts to reduce energy consumption through various initiatives.



Adoption of High-Efficiency Appliances



Shift to energy-efficient LED lighting



Switching UPS with more energy efficient devices



4 & 5-star Air Conditioning Systems as a standard requirement

In addition to these initiatives, our hybrid work model helps in reducing energy demand and increased virtual meetings with clients translates to lesser travel-related energy use. We are making conscious effort to increase green energy mix in our energy consumption. During this year, a total of 471.9 MWh of wind energy was utilised at select branches. We also evaluate rooftop solar energy possibilities when choosing new branches.

Waste Management

We are continuously striving for sustainable waste management practices within our operations, aiming to embrace circularity principles. Our focus is on reducing waste generation at our operating locations and mitigating the potential negative impacts associated with irresponsible and unscientific disposal methods.

Recycled / Disposed



5.3 tonnes

of e-waste



6.5 tonnes

tonnes of paper waste



0.1 tonnes

of plastic waste

To this end, we ensure that all waste generated is appropriately disposed of and recycled by certified waste management agencies in line with the applicable rules like E-waste (Management) Rules of 2016, etc. Additionally, we are actively working to decrease the usage of single-use plastic across our operations. This includes implementing measures such as employing biodegradable garbage bags, utilising reusable plates and cutlery, and switching to wooden stirrers. We are also making efforts to minimise the use of single-use plastic water bottles, particularly in identified operations, by installing water purifiers. Furthermore, we encourage our employees to opt for reusable water bottles instead of single-use plastic ones.

To reduce the adverse impact of our paper usage on the environment, we have adopted usage of Forest Stewardship Council (FSC) certified eco-friendly paper made from wheat straw (agro waste), which has 60% lower CO₂ emissions compared to virgin pulp paper.





Digitisation

Our ongoing efforts towards digitisation not only improves process efficiency and customer experience, but also contributes to reduction in paper consumption and the associated greenhouse gas emissions. Some key digitisation initiatives include:

- E-forms for customers and transitioning towards online documentation
- Default option of double-sided printing for printers
- Dematerialised (Demat) or online copy options for policy documents. Currently, 30% of our new business transactions utilise Demat options.
- Web-based application for sharing agendas and supporting documents during Board and Committee meetings.

Water Management

Our usage of water is primarily for domestic consumption purposes at offices. We are sensitive to this topic, especially with rising concerns especially in urban areas of water shortage during peak summer months. We have taken measures such as replacing water fixtures with sensor-based taps to avoid wastage.

Additionally, as of FY 2023-24, 2 of our operational premises have rainwater harvesting systems and Sewage Treatment Plants (STPs) installed, further aiding us in minimising our impact on water resources. We have also installed water purifiers across our offices and branches to replace bottled drinking water.

In addition to the above mentioned initiatives, we have undertaken capacity building to raise awareness among our employees about the importance of water conservation.

4,62,793.28 kL

Water consumption FY 2023-24



Biodiversity and Ecosystems

We are committed to enhancing our positive impact on natural capital through our CSR endeavours, particularly focussing on biodiversity conservation. One significant initiative involves organising tree plantation campaigns to establish city forests. To date, we have established 38 city forests in Maharashtra, covering an area of approximately 10,29,630 sq. ft. Our efforts have led to the planting of a total of 1,01,550 trees.



**Learn more - Pg 52 on
Social & Relationship Capital**



HDFC Life has successfully rejuvenated 4 water bodies spanning across Maharashtra and Delhi-NCR, encompassing a total area of 58 acres. This initiative aims to enhance water holding capacity, facilitate groundwater recharge, and foster ecological improvement.

Sustainable Supply Chains

We endeavour to extend our environmental management approach to our value chain partners, especially supply chain. All our vendors are expected to adhere to our Partner Code of Conduct requirements. The Code specifies that all suppliers must conduct their operations in an environmentally compliant manner, prioritising efforts to reduce environmental impacts. We are currently in the process of revising our Partner Code of Conduct, with potential additions to address environmental concerns such as climate change.

Responsible Investment

Our Responsible Investment approach is designed to address key ESG risks that potentially could emanate from our investment

portfolio. Integrating ESG into risk assessment supports our decision-making process regarding investment strategies. In line with the same, we have developed a Responsible Investment policy to guide our efforts in this domain. We also successfully completed and submitted our voluntary United Nations Principles for Responsible Investment (UNPRI) report for the calendar year 2022, which was also internally audited.

HDFC Life's Stewardship policy outlines the guidelines for HDFC Life's investment team when interacting with the investee companies. These guidelines ensure the team acts in the best interest of policyholders by monitoring investee company performance, voting on their behalf, and promoting good corporate practices. We have documented the details for exercising these voting rights in our Voting Rights policy. For broader investor engagement practices, refer to HDFC Life's Policy for Exercising Voting Rights.

Governance structure

The ESG Governance Committee is entrusted with the responsibility

to review and guide the investment team on integration of ESG factors including climate change in the Fund Management process and engagement with Investee companies. The Committee comprises of the Chief Investment Officer, Head of Fixed Income, Head of Research, Fund Manager of ESG Fund and dedicated ESG research analyst. The ESG Governance Committee meetings are held at least once in a quarter, with more frequent meetings as needed, to analyse ESG issues and monitor ESG engagement with the investee companies. The review meetings entail the following activities:

- i. Monitoring the advancement of international commitments such as UNPRI deliverables.
- ii. Analysing emerging ESG trends and regulations within the country and planning future actions for the committee.
- iii. Tracking and reporting the progress on engagement initiatives with investee companies
- iv. Tracking changes in ESG scores and ratings of companies within the investment universe

ESG integration approach

At HDFC Life, we follow responsible investment (RI) approach which includes core stewardship principles and consideration of environmental (E), social (S) and governance (G) factors in addition to financial parameters and outlook, while making investment decisions. The material factors considered under each pillar include, but not limited to:

<p>1</p> <p>Environmental factors</p> <p>Energy consumption, renewable energy as % of total energy consumption, water consumption and recycling, absolute emissions and intensity, waste recycled, environment related incidents</p>	<p>2</p> <p>Social factors</p> <p>Workforce diversity, employee attrition, health and safety incidents, sexual harassment cases, data security</p>	<p>3</p> <p>Governance factors</p> <p>Board composition, audit reporting, related party transactions</p>
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We incorporate these ESG factors into our research and investment decision-making processes across all major asset classes, viz. - Equity and equity related securities, Alternate Investment Funds (AIFs), Investment Trusts and Corporate Bonds.

Equity Investments:

ESG factors are integrated into the investment decision-making process for listed equity securities, REITs, and INVITs through a two pronged approach:

- a. Subscription to an external service provider that provides ESG scores for the top 200 investee companies based on assets under management.
- b. An internal ESG scoring methodology for the top 250 investee companies based on assets under management.

ESG scores from both sources are incorporated into the valuation process by considering ESG factors as long-term risks to the base case valuation. We currently don't have any investment in emerging markets listed equities outside of India.

Real Estate Investments:

ESG factors are also integrated into the decision-making process for investments in the listed equity of companies engaged in the real estate sector and REITs. There are no direct investments in real estate assets.

Asset class-wise AUM % integrated with ESG Factors

Our commitment to integrating ESG factors into our investment processes is reflected in the significant coverage of assets under management (AUM) that have received ESG ratings. The following percentages highlight our integration efforts across different asset classes:

1

Over 97% of active listed equity assets under management had ESG ratings from an external service provider.

2

More than 70% of corporate fixed income assets under management had ESG ratings from an external service provider.

3

Over 15% of total fixed income assets under management had ESG ratings from an external service provider.

Engagement with investee companies

Our dedicated investment analysts engage with the management of investee companies to discuss ESG-related issues such as long-term policies and targets to reduce emissions, waste management practices, material factors impacting climate, human rights, health and safety, and governance structure. The responses from Company management regarding these material ESG issues are incorporated into the investment decision-making process. Below case study highlights how HDFC Life engaged with one of its investee companies on ESG issues.



Case Study 1

A leading Power producer in the country

Our team has continuously engaged with a leading power producer in the country to emphasise the need to bring down their Coal fired emissions. The Company has doubled down on its efforts to grow the Renewable Energy (RE) capacity with a target to reach 60 GW by FY 2031-32 from the current ~4 GW in FY 2023-24. This would make it one of the largest RE producers in the country.

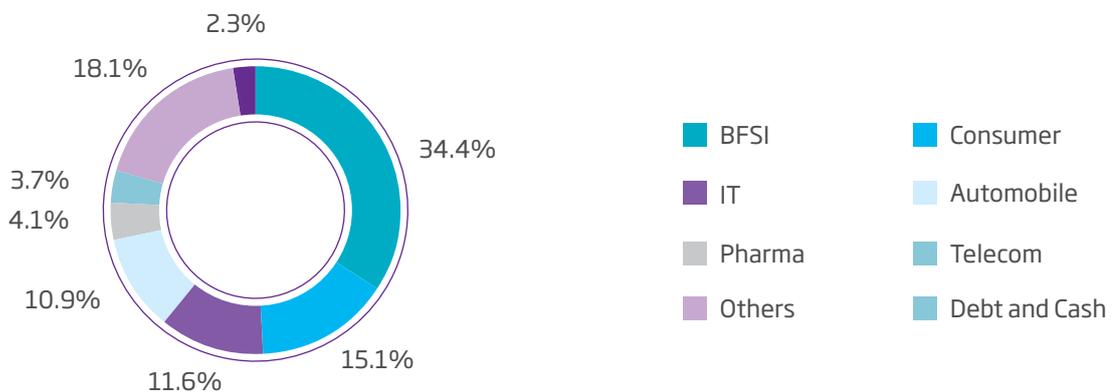
Some of the others steps taken by the Company to reduce its carbon footprint include:

- a) Installing Fuel-gas Desulfurisation (FGD) system across plant to reduce SOX emissions,
- b) Utilise fly ash from the power plants in cement manufacturing, thereby focussing on circularity,
- c) Recycling of water to reduce water consumption,
- d) Moving to super critical boiler with higher rating to ensure better heat rate and in turn, higher efficiency for their boilers.

Responsible Investing Products

Our 'Sustainable Equity Fund' offers the option to invest in ESG-focussed companies. Companies meeting our investment objectives, and which demonstrate strong ESG standards and corresponding scores are included in the fund. Supplementing these positive ESG screening criteria for the fund is also an Exclusion Policy to limit investments in select high-impact sectors. Specifically, within the Sustainable Equity Fund, companies involved in tobacco, alcohol, controversial weapons, and gambling activities will be excluded. Controversial Weapons encompass chemical weapons, biological weapons, anti-personnel mines, and cluster bombs. This policy aligns with the exclusion guidelines of the Nifty 100 ESG Index. The Sustainable Equity Fund as on March 31, 2024 has a total of ₹ 20.29 crore in assets under management (AUM).

Sustainable Equity Fund - Sectoral Constitution



Awards & Accolades

Company Awards



100 Best Company for Women in India 2023 by Avtar and Seramount

HDFC Life ranked amongst '100 Best Company for Women in India 2023' by Avtar and Seramount.



13th CX Strategy Summit & Awards 2023 by USB Forums

HDFC Life bagged 'Customer Experience Team of the Year Award' at the 13th Edition of CX Strategy Summit & Awards 2023 organised by USB Forums.



2nd India M&A Conclave & Awards 2024 by Transformance Forums

HDFC Life's won the 'M&A Integration Team of the Year' award at the 2nd India M&A Conclave & Awards 2024 by Transformance Forums.



2nd Quantic India Annual Technology Excellence Awards 2023

HDFC Life won the 2nd Annual Technology Excellence Awards 2023 for 'Automated Insurance Underwriting' at the 2nd Quantic India Annual Technology Excellence Awards 2023.



2nd Smart CX Summit & Awards by The Brainalytics

HDFC Life recognised at the 2nd Smart CX Summit & Awards for:

- Best Use of AI
- Best CX Digital Transformation
- Best Innovation in WhatsApp Payments
- Best Innovation in Payments



6th Insurance India Summit & Awards by Synnex Group

HDFC Life won the 'Technology Initiative of the Year Award' for Automated Insurance Underwriting at 6th Insurance India Summit & Awards by Synnex Group.



7th Annual Insurance Conclave and Awards by Insurance Alertss

HDFC Life honoured with two awards at the 7th Annual Insurance Conclave and Awards organised by Insurance Alertss:

- 'India's No.1 Endowment Insurance Policy' award for HDFC Life Click2Achieve
- 'India's No. 1 Term Insurance Policy' category for HDFC Life Click2Protect Super



97th SKOCH Summit

HDFC Life recognised with a hat-trick of awards at the 97th SKOCH Summit by Skoch Consultancy Services Pvt Ltd:

- Winner of the Gold award for HDFC Life Click 2 Protect Super
- Winner of the Silver award for HDFC Life Smart Pension Plus
- Winner of the Silver award for HDFC Life Smart Protect Plan



CX Transformation Conclave 2023 by Marksmen Daily

HDFC Life recognised amongst the 'Masters of CX' at the CX Transformation Conclave 2023 organised by Marksmen Daily.



Golden Peacock Award for Excellence in Corporate Governance 2023

HDFC Life won the 'Golden Peacock Award' for Excellence in Corporate Governance 2023.



India's leading life insurance company by Dun & Bradstreet

HDFC Life recognised as India's leading life insurance company at the Dun & Bradstreet BFSI & Fintech Summit 2024.



Indian Corporate Governance Score Card 2023 by the Institutional Investor Advisory Services (IIAS)

HDFC Life secured the 'Leadership' category in the Indian Corporate Governance Scorecard Assessment 2023 by the Institutional Investor Advisory Services (IIAS).



ABBY Awards, Goafest 2023

HDFC Life has won the following at the ABBY Awards:

- Cake for thought campaign:
 - Bronze: Brand Activation & Promotion
 - Bronze: Branded Content & Entertainment
 - Merit: Direct - Direct Response Press
- BounceBack Batch campaign:
 - Bronze: Integrated Marketing Campaign
- The Missing Dulha campaign:
 - Bronze: Digital - Online Only Video Campaign
 - Bronze: Digital Craft - Digital Use of Video



Adobe Experience Maker Awards 2023

HDFC Life recognised as a 'Global Category Winner (The Architect)' at the Adobe Experience Maker Awards 2023 for CRM Marketing initiatives on personalised communication journeys – Customer On-boarding to Maturity and Cross-Sell Scale Up



ASSOCHAM 15th Global Insurance Summit & Awards

HDFC Life won awards at the ASSOCHAM 15th Global Insurance Summit & Awards for:

- Innovation in Customer Proposition and Experience
- Overall Achievement - Life Insurance



Banking Frontiers FINNOVITI 2023

HDFC Life won the Banking Frontiers FINNOVITI 2023 award for 'Automated Insurance Underwriting'.



Banking Frontiers InsureNext Conclave & Awards 2024

HDFC Life received recognition at the Banking Frontiers InsureNext Conclave & Awards 2024 with two awards:

- 'Best Digital Transformation Initiative' award
- 'Best Innovation' award



Best Companies To Work For by Great Place To Work

HDFC Life ranked 10th amongst 'India's top 100 Best Companies To Work For 2023' by Great Place To Work.



Best Life Insurer' award by Mint

HDFC Life won the 'Best Life Insurer' award at the 16th Mint BFSI Summit & Awards.



Best Workplaces Asia 2023 by Great Place To Work

HDFC Life featured in 'Best Workplaces Asia 2023' by Great Place To Work.



Best Workplaces for Building a Culture of Innovation by Great Place to Work

HDFC Life recognised as India's 'Best Workplaces for Building a Culture of Innovation by All 2024' by Great Place to Work.



Best Workplaces for Millennials 2023 by Great Place To Work

HDFC Life featured in 'India's Best Workplaces for Millennials 2023' by Great Place To Work.



Best Workplaces for Women 2023 by Great Place to Work

HDFC Life recognised amongst 'India's Top 50 Best Workplaces for Women 2023' (Large category) by Great Place To Work.



Best Workplaces in BFSI by Great Place To Work

HDFC Life recognised amongst 'India's top 25 Best Workplaces in BFSI 2023' by Great Place To Work



Bharat Insurance and Fintech Summit by The Brainalytics

HDFC Life declared the 'Digital Insurer of the year' at the Bharat Insurance and Fintech Summit organised by The Brainalytics.



Customer Fest Leadership Awards by Kamikaze B2B Media

HDFC Life recognised for 'Best Use of Data Analytics in Business Intelligence' at the Customer Fest Leadership Awards organised by Kamikaze B2B Media.



Customer Loyalty & Retention Confex & Awards 2023 by Gain Skills

HDFC Life received recognition with two awards at the Customer Loyalty & Retention Confex & Awards 2023 organised by Gain Skills:

- 'Best use of Omni-Channel in Customer Retention' award
- 'Digital Excellence in Customer Service' category - Winner



CX strategy and Conversation AI Summit and Awards by Empric Business Media Pvt. Ltd.

HDFC Life recognised for 'Excellence in implementing conversational AI' at the CX strategy and Conversation AI Summit and Awards organised by the Empric Business Media Pvt. Ltd.



Digital Customer Experience Awards 2024 by Gain Skills

HDFC Life recognised as the winner in two categories at the Digital Customer Experience Awards 2024 organised by Gain Skills:

- Best use of technology for CX: For the case study on 'Tech Enhancements for Superlative CX'
- Best Use of Customer Insight



Digital Customer Experience Confex & Awards 2023 by Gain Skills

HDFC Life has won two awards at the Digital Customer Experience Confex & Awards 2023:

- Best Use of Technology in CX - HDFC Life Annuity Management Services
- Process Digitalisation for CX



DMA Asia Sparkies Annual Awards 2023

HDFC Life honoured with three awards at the DMA Asia Sparkies Annual Awards 2023:

- Winner: SEO - Best Organic Search (User Growth) category - Organic growth powered by Programmatic SEO project
- Winner: Best Promotional Email Campaign category - Product Recommendation Analytical Model
- Winner: Best Promotional Email Campaign category - HDFC Life Got Talent



Elets 8th Generation BFSI CXO award

HDFC Life was recognised with an award in the 'Prominent in Digital insurance' category at the Elets' 8th Generation BFSI CXO award.



Exchange4Media Pitch BFSI Marketing Awards 2023

HDFC Life won the following awards at Exchange4Media's Pitch BFSI Marketing Awards 2023:

- Gold - Most Effective Use of Social Media - Mother's Day
- Gold - Most Effective Use of Influencer Marketing - Missing Dulha
- Silver - Most Innovative Marketing Campaign - Bounce Back Batch Metaverse



Exemplar of Inclusion by Avtar and Sermount

HDFC Life recognised as an 'Exemplar of Inclusion' in Most Inclusive Companies Index India 2023 by Avtar and Sermount.



Fortune India's list of best life insurers

HDFC Life ranked No. 1 in terms of claim settlement by Fortune India.



Future of Insurance Summit 2023 by USB Forums

HDFC Life has won three awards at the Future of Insurance Summit 2023:

- 'Best Use of Technology to Enhance Customer Experience' for Free Look in Payout Journey (Zero Touch Processing)
- 'Best Use of Innovation to Enhance Customer Experience' for seamless Penny Drop Integration in Customer payout journeys



Gold Trophy in 37th QCFI Quality Convention

HDFC Life won the highest Gold Trophy in 37th QCFI Quality Convention organised by Quality Circle Forum of India.



Great Place to Work

HDFC Life certified as Great Place to Work.



Guinness World Record™ Title

HDFC Life's 'Insure India' campaign created a Guinness World Record™ title.



ICC 4th Emerging Asia Conclave and Awards 2023

HDFC Life received recognition at the 4th Emerging Asia Conclave and Awards organised by the Indian Chamber of Commerce for:

- Best Customer Oriented Company in India - Winner
- Best Risk Management Strategy - India - 1st Runner Up
- Best Life Insurance Company - India - 1st Runner Up



IMC Making Quality Happen Trophy

HDFC Life recognised with the prestigious 'IMC Making Quality Happen Trophy' for its case study on 'new age agent onboarding journey' at the MQH Best Practices Competition organised by the Indian Merchants' Chamber of Commerce and Industry.



IndIAA Award 2023

HDFC Life bagged 'IndIAA Award 2023' for best marketing campaign in the Insurance sector for Salary After Retirement (Annuity) campaign.



ISQ TOPS Convention, 2023

HDFC Life declared winner at the elite ISQ TOPS Convention, 2023 for its structured project on 'Reducing unclaimed funds'.



Kantar BrandZ 2023 List

HDFC Life featured amongst the top 75 Valuable Indian Brands in the Kantar BrandZ 2023 List.



LACP Vision Awards 2022/2023

HDFC Life's Integrated Annual Report won multiple accolades at the LACP Vision Awards 2022 - 2023:

- Platinum Award
- Ranked 47th among top 100 reports worldwide
- Gold: Annual Report Category



Leadership Factories of India by Great Manager Institute

HDFC Life recognised amongst the 'Leadership Factories of India' by Great Manager Institute.



Most Innovative Distribution Model by Marksmen Daily

HDFC Life GEM Programme recognised as the 'Most Innovative Distribution Model' at the Most Innovative Companies of India 2023-2024 by Marksmen Daily.



Most Trusted BFSI Brands by Team Marksmen

HDFC Life recognised as one of the 'Most Trusted BFSI Brands 2023-2024' by Team Marksmen.



National Award for Excellence in BFSI by World HRD Congress

HDFC Life recognised at the National Awards for Excellence organised by the World HRD Congress, with the 'National Award for Excellence in BFSI' across two categories:

- Excellence in Banca Distribution
- Excellence in NRI Customer Experience



SKOCH India Economic Forum

HDFC Life recognised with the Silver Award at the 'SKOCH India Economic Forum' for Transformation of Group Insurance Underwriting.



Sustainability Summit & Awards by USB Forums

HDFC Life has won three awards at the Sustainability Summit & Awards organised by USB Forums

- Sustainability Impact
- Sustainable Best Initiative of the Year 2023 - Go Green Award
- Sustainable Organisation Award 2023



The Economic Times Best Organisations for Women 2024

HDFC Life recognised as one of the 'Best Organisations for Women in 2024' by The Economic Times.



The Economic Times CX Summit 2023

HDFC Life recognised for 'Excellence in CX' at The Economic Times CX Summit 2023.



Individual Awards



Business World Most Valuable CEOs

Vibha Padalkar, MD & CEO recognised as one of the 'Most Valuable CEOs' by BW BusinessWorld.



Fortune India 50 Most Powerful Women In Business

Vibha Padalkar, MD & CEO, recognised amongst 'Fortune India's 50 Most Powerful Women In Business'.



Most Powerful Women Awards

Vibha Padalkar, MD & CEO, recognised amongst the Most Powerful Women by Business Today.



'CEO of the Year' in the Life Insurance category by SKOCH Consultancy Services Pvt. Ltd.

Vibha Padalkar, MD & CEO, honoured with the 'SKOCH CEO's Choice Award - CEO of the Year' in the Life Insurance category at the 97th SKOCH Summit organised by Skoch Consultancy Services Pvt Ltd.



India Today "The She List"

Vibha Padalkar, MD & CEO, featured in India Today's 'The She List'.



Business World Most Influential Women

Vibha Padalkar, MD & CEO, recognised as one of the 'Most Influential Women' by Business World in their special annual issue.



The Economic Times HR Leaders of India 2022-23

CHRO, Vibhash Naik recognised amongst 'The Economic Times HR Leaders of India 2022-23'.



FE Visionary Leader by Financial Express

Vineet Arora - COO recognised as 'FE Visionary Leader' organised by The Financial Express.



CSO100 Awards by Foundry

Kalpesh Doshi - CISO recognised amongst 'The Disruptive 100' at the Foundry's CSO 100 Awards.



5th edition of CRO Summit & Awards by USB Forums

HDFC Life and HDFC Pension felicitated at the 5th edition of CRO Leadership Summit & Awards by USB Forums:

- CRO of the year - Rangarajan BN
- Risk Manager of the year - Tanay Chandra
- CRO of the year (Pension management) - Rohit Dubey



World Marketing Congress and Awards by World Leadership Congress

Pritika Shah - SVP Marketing & CRM, featured as one of India's most admired marketing leaders at the World Marketing Congress and Awards by World Leadership Congress.



CNBC TV18 40 Under 40 - CA Business Leaders Award

Kunal Jain - SVP, Investor Relations & Business Planning won CNBC TV18 40 Under 40 - CA Business Leaders Award.



M&A Integration Leader of the Year by Transformance Forums

Kunal Jain - SVP, Investor Relations & Business Planning, won the 'M&A Integration Leader of the Year' award in the Insurance category at the 2nd India M&A Conclave & Awards 2024 by Transformance Forums.



Golden AIM Awards

Lopah Mudra Bhattacharrya - AVP, Marketing recognised with the Golden AIM Award for Women Leaders in the 'Top 20 Emerging PR Professionals' category.



Foundry CIO 100 Symposium & Awards 2023

Ajay Poddar, Head - Engineering, Ecosystem Solutions felicitated with 2 awards at Foundry CIO 100 Symposium & Awards 2023

- The Disruptive 100
- Digital Transformation Evangelists



Sar utha ke jiyo!

Registered Office

13th Floor, Lodha Excelus, Apollo Mills Compound,
N M Joshi Marg, Mahalaxmi, Mumbai - 400 011
Tel. : 022-6751 6666 | Fax : 022-6751 6861
CIN : L65110MH2000PLC128245

Corporate Office

12th, 13th & 14th Floor, Lodha Excelus,
Apollo Mills Compound, N M Joshi Marg,
Mahalaxmi, Mumbai - 400 011
Tel. : 022-6751 6666 | Fax : 022-6751 6861
Email : investor.service@hdfclife.com