

Carbon Trust Assurance Ltd Assurance Statement

Relating to Direct Line Group's Greenhouse Gas Emissions Claims 2019

Terms of Engagement

Carbon Trust Assurance Limited (CTA) was commissioned by Direct Line Group to provide an independent, reasonable level of assurance on the following Selected Information:

- Scope 1 emissions
- Scope 2 location-based emissions
- Scope 2 market-based emissions

The Selected Information is presented within Direct Line Group's greenhouse gas emissions tables reported in Ecometrica platform. We have not performed any work, and do not express any conclusion, over any other information that may be included in Direct Line Group's Annual Report or on Direct Line Group's website for the current year or for the previous periods unless otherwise indicated.

Scope

This engagement covers the verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary.

- Organisational boundary: All UK operations
- Control approach: Operational control
- Reporting period: 1st January 2019 – 31st December 2019

Our Conclusion

Based on the work we have undertaken and the evidence provided by Direct Line Group it is our opinion that the organization's greenhouse gas emissions claims are fairly stated, in all material respects, and have been properly prepared in accordance with the Reporting Criteria.

The total verified footprint was 16,008 tCO₂e according to the location-based method and 9,399 tCO₂e according to the market-based method, with the following breakdown by scope:

- Scope 1: 9,399 tCO₂e
- Scope 2 location-based method: 6,609 tCO₂e
- Scope 2 market-based method: 0 tCO₂e

This conclusion shall be read in the context of the remainder of this Assurance Statement, in particular the inherent limitations explained below and this report's intended use.

Reporting Criteria

The Reporting Criteria used by Direct Line Group is:

- GHG Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Scope 2 Guidance

Management Responsibility

The management of Direct Line Group are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Our Responsibilities

Our responsibility is to plan and perform our work to obtain reasonable assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Direct Line Group in the form of an independent reasonable assurance conclusion based on the work undertaken and the evidence obtained.

Assurance Standards Applied

We performed our work in accordance with CTA's proprietary assurance methodology incorporating the international standard ISO 14064-3:2006 – Specification with guidance for the verification and validation of greenhouse gas assertions.

Our Assurance Activities

Our objective was to assess whether the Selected Information is reported in accordance with the principles of completeness, comparability and accuracy. We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;
- conducting interviews with Direct Line Group management to obtain an understanding of the key processes, systems, controls and related documentation in place over the preparation of the Selected Information;
- carrying out three virtual interviews with key people in place of site visits;
- performing analytical reviews and detailed sampling of the Selected Information.

Inherent Limitations

The accuracy and completeness of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data.

It has been verified that all material non-conformities identified during the sampling performed on the footprint models submitted have been closed. If at any time and for whatever reason You or the Company identify any further non-conformities, the terms described in the Description of Service and General Terms and Conditions will apply. It is also Your duty to promptly inform the Company in writing.

CTA's Competence and Independence

CTA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach is rigorous and transparent.

For and on behalf of
Carbon Trust Assurance Limited

A handwritten signature in black ink, appearing to read "Morgan Jones".

Morgan Jones
Head of Assurance

Carbon Trust Assurance Ltd, London
Email: info@carbontrust.com



This assurance report is made solely to Direct Line Group in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Direct Line Group showing that it has obtained an independent assurance report in connection with the Selected Information. We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party other than Direct Line Group for our work, for this assurance report or for the conclusions we have reached.