

Strategic report

For the year ended 31 December 2019

Section 172(1) Statement and engagement with stakeholders

The Group is a leading motor, home and commercial insurer which depends on the trust and confidence of its stakeholders to operate sustainably in the long term. It seeks to put its customers' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for shareholders.

The Directors of the Company have acted in accordance with their duties codified in law, in particular their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The Directors of the Company are members of the Group's senior management population, which supports the Group's Chief Executive Officer in managing the Group's operations and implementing the Group's strategy, including its approach to sustainability. The Group's vision, purpose and values and the five-pillar sustainability strategy, which includes engagement with the community and protection of the environment, are set out in the Strategic Report of DLIG for the year ended 31 December 2019 on pages 20, 21 and 59 to 73. The Group's governance framework, which is consistent with the 2018 UK Corporate Governance Code, applied to the Company during the year. Further information on the Company's governance arrangements can be found in the Directors' Report on 6. The Company relies on resources made available by the Group including staff and suppliers who are respectively employed and contracted by a fellow subsidiary undertaking, DL Insurance Services Limited. Disclosures relating to employees, suppliers, customers and others may be found in the annual report and financial statements of DL Insurance Services Limited and DLIG for the year ended 31 December 2019.

Examples of how the Group has engaged with its stakeholders and had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year are detailed in DLIG's annual report and financial statements, for the year ended 31 December 2019 on page 68 and 88 to 89. The Company operates the Group's motor vehicle repair centres. An example of the matters considered by the Directors during the year, in discharging their duty under section 172 of the Companies Act 2006, was their monitoring of the energy efficiency of the Company's accident repair centres.

The Directors consider the likely consequences of any decision in the long-term. Each company within the Group is bound by Group policies consistent with the Group's culture in all key areas including supplier management and outsourcing, customer conduct, human resources and the environment. Group policies and minimum standards applied by the Company during the financial year included, for example, the group accounting minimum standard to which the Directors adhered before approving the Company's financial statements.

The Directors and management operate the business in a responsible manner with the aim of ensuring that the Company maintains a reputation for high standards of business conduct and good governance. Each year, the Directors of DLIG review the Group's Code of Business Conduct which embodies the Group's culture, purpose and values. The Code of Business Conduct provides guidance to the Group's employees and contractors on the high standards of professional and ethical conduct expected of them and aims to preserve the Group's and the Company's reputation for high standards of conduct. Information on the Group's Ethical Code for Suppliers can be found in the DLIG's annual report and financial statements for the year ended 31 December 2019 on page 67. The Company's statement on Modern Slavery can be found on the Group's corporate website.

Outlook

High level strategies of the Company are determined by the DLIG Board and are shown in the DLIG Annual Report and Accounts 2019. The Directors consider that the Company's principal activities will continue unchanged for the foreseeable future. For this purpose the foreseeable future is taken to mean a period of at least twelve months from the date of signing of these financial statements.

Approved by the Board of Directors on 4 May 2020 and signed on its behalf by:



P Nightingale

Director