



CODE OF BUSINESS CONDUCT

We want to create a world
where insurance is personal,
inclusive and

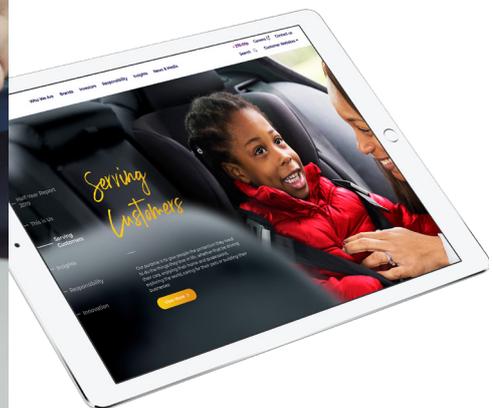
a force for good





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For more information please visit
www.directlinegroup.co.uk

Providing peace of mind to our stakeholders

We have always been conscious of our broader role in society from improving road safety to creating an inclusive environment that encourages diversity of experience and background to giving something back to our local communities. If it matters to our people, our customers, and our communities, it matters to us.

Being a sustainable business is about what we hope to achieve not just for the next reporting cycle but for the next year, next decade and beyond. Financial performance is, of course, imperative, if we don't achieve success, then none of us will be here. But we believe we have a responsibility to consider our greater impact and act where we can.

We want to create a world where insurance is personal, inclusive and a force for good. Driven by our values, sustainability is at the heart of how we think about our business.

Ultimately our aim is to deliver long-term sustainability for customers, our people and shareholders and ensure that we have a positive impact on society and the planet and we are guided by our 5 sustainability pillars.

Customers

Earn our customers' trust by demonstrating how we are acting in their best interests.

People

Encourage a culture that celebrates difference and empowers people so that they can thrive.

Society

Use our expertise to improve outcomes for society and the communities we serve.

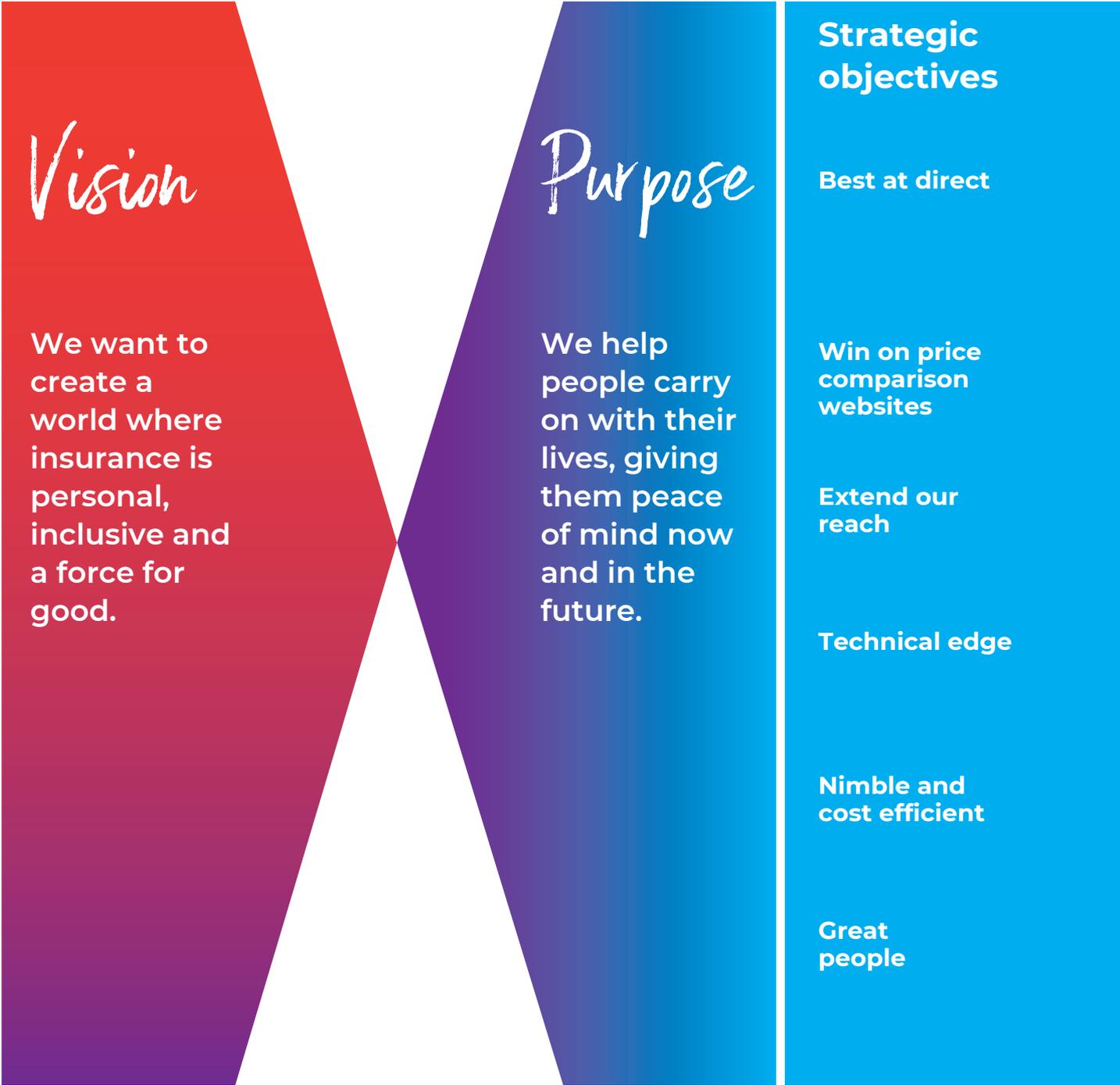
Planet

Protect our business from the impact of climate change and give back more to the planet than we take out.

Governance

Look to the long term for our stakeholders, build a reputation for high standards of business conduct and a sustainable business.

Direct Line Group's Vision, Purpose and Strategy



Sustainability pillars

Customers

People

Society

Planet

Governance

Values

Do the right thing

Build sustainable outcomes not processes. Think commercially and choose the right path for our customers, our people and wider stakeholders.

Aim higher

Be ambitious to achieve even better results. Have confidence, innovate and try new things. Embrace change to deliver for each other, our customers and our shareholders.

Take ownership

Own our success by getting things done. Take the initiative and be accountable. Be curious and own your development and performance.

Say it like it is

Challenge drives progress. Your input matters so have the courage to say what you think and the patience to listen to others. Keep it simple and customer focused.

Work together

Nobody has all the answers. Collaborate and draw upon the diverse skills across our business. Trust each other and focus on customer outcomes to beat our competitors.

Bring all of yourself to work

Diversity delivers better outcomes. Be the real you and celebrate difference. Respect others, have fun and make this a great place to be.

Behaviours

Be curious

Be aligned on outcomes

Build trust

Encourage simplicity

Empower teams

Test, learn & adapt

Building a reputation for high standards of business conduct

We are committed to engaging in honest, professional and ethical conduct seeking to build a long-term business that serves our stakeholders and maintains effective procedures to prevent confidential information being misused

Our vision, purpose and values set the tone of how we do business and this code of conducts sets out what is expected so that everyone operating in our sites – our people, contractors and suppliers – can exercise judgement within the spirit of this Code. Your obligation to comply also extends to ‘speaking up’ when you feel others may not be acting within its scope.

As you would expect we have a robust Risk Policy Framework and a comprehensive set of employment policies on our company intranet and it’s important you familiarise yourself with these and those referenced in this code. Our aim is to avoid any breaches of this code as this could lead to disciplinary sanctions such as dismissal or in more serious cases criminal prosecution and damage to our reputation. We operate on a common sense, adult to adult approach: If something doesn’t feel appropriate to you then it probably isn’t, so make it your business to discuss it with your people manager or one of the specialist functions mentioned in this code.

Our customers, colleagues, shareholders, partners and other stakeholders trust us with their information so protecting this information is essential. There are legal requirements to protect data through Data Protection legislation, but we also have strict internal standards that we set ourselves, for example, in relation to Information Security, Information Management, Data Protection, Conflicts of Interest (including working for other companies) and our clear desk policy. Further details are available on our intranet.

Unfortunately, financial crime is a risk to all businesses – particularly those in financial services – and we set out to manage this through, for example ensuring we all comply with our obligations in relation to anti-bribery & corruption, sanctions, anti-money laundering/counter terrorist financing and facilitation of tax evasion prevention. There is an obligation on all of us not only to follow the correct procedures but also to report any suspicions. Further details are on our intranet or are available from our Financial Crime Team.

As employees of a high-profile insurance company it’s even more important that each of us meets the highest standards when arranging and managing insurance products that we have purchased. This means that all the dealings that you have with your insurance company

(whether DLG or another company) must be in line with the highest expectations in terms of accuracy, disclosure and compliance with the policy and law. It also means that you must have any insurance required by law.

Speaking up

We think we’re a great company to work for but realise there will be occasions when we can do better. *If you have concerns that we’re not meeting the standards we set ourselves, please speak to the person to whom you report or another manager.* Where possible we encourage people to resolve and address issues informally, but if this isn’t possible, you can use our Resolving Issues at Work policy. Furthermore, if you ever have a reasonable belief about any suspected illegal or unethical behaviour within Direct Line Group, you can disclose that information to us without fear of adverse consequence by using our confidential phone line Right Call 0800 316 0516 or using the intranet.

We want to help people manage their finances effectively and provide access to support and guidance through Health Assured (0800 316 9337) and through our financial wellbeing initiatives. However, there may be times where you struggle financially and if you find yourself in this situation it is important that you discuss this with your manager who can access support. In extreme circumstances you may consider, or be advised to consider, bankruptcy, but it is important to understand that if you are declared bankrupt it could lead to being moved from your current role and potentially result in your employment being terminated.

It is also important that you let us know about events that may occur outside of work that could affect our reputation or your role. If you are arrested or charged with a crime or an offence by the police or other law enforcement agency, inside or outside the UK, you must inform your manager. A crime or offence is defined as any breach of common or statute law other than road traffic offences. However, in the case of road traffic offences you must inform your manager if any driving penalty or sanction imposed may affect our reputation or restrict your ability to carry out your role.

Customers

Earn our customers' trust by demonstrating how we are acting in their best interests



Training is available for all employees through our Policy Learning schedule which everyone is required to complete. But in addition, we provide comprehensive training and regular updates to our customer facing teams to help them deliver exceptional customer service to customers.

Our training programme CONNECT, which is accredited by the Institute of Customer Service is designed to ensure that all our customers receive a personalised service. It also equips our colleagues with the skills to respond with empathy when dealing with difficult situations or vulnerable customers.

Our new Bereavement team have been specifically trained to assist our customers who have suffered a bereavement, enabling them to have their queries dealt with in one place, making a difficult conversation as easy as possible.

It is important that we always act in the best interest of our customers, treating them fairly and ensuring they have the right information to choose the right product and services for them. That's why we have established the six key pillars that underpin a good customer experience so that every customer can encounter the same high-quality interactions.

These six pillars were informed by research carried out on our customers and colleagues working on the frontline, who have the greatest direct experience with customers; they are: expectations, personalisation, trust, ease, fix-it and empathy.

We make sure that our products and services are designed to meet an identified need and that customers are provided with clear information, are kept informed and can make amendments easily. We regularly monitor our performance in relation to standards of service, product performance and customer outcomes.

Key customer experience principles



Key drivers
Manage and exceed my expectations



Personalisation
Treat me like a real person and not like a process



Trust
Earn my trust



Ease
Make it as effortless as possible for me



Fix-it
Identify the issue, own it and fix it



Empathy
Understand me and work hard to build a relationship

People

Encourage a culture that celebrates difference and empowers people so that they thrive



We think we're a great company to work for, with competitive benefits and a collaborative and inclusive culture that encourages people to be the best they can be. Our HR intranet pages provide a wealth of information regarding performance management, development, health, safety & wellbeing and reward & benefits and details of our employment policies that apply to all employees. You should take the time to familiarise yourself with the content of these policies.

Our My Life policies have been designed to be simple and flexible, supporting colleagues with what matters most to them. Every one of us is unique, with different priorities, which may not always be known to others. That's why we chose to design an overarching lifestyle policy, which is all encompassing, underpinned by diversity and inclusion.

As an employer we are committed to ensuring that diversity and inclusion is promoted across all areas of our business and that everyone is treated fairly, irrespective of their personal characteristics such as race, neuro diversity, ethnic origin, gender, gender identity, marital or civil partnership status, age, disability, religion, belief or sexual orientation. Our Diversity Network Alliance (DNA) is an opportunity for you to link in with others and help educate the wider business and build a more inclusive environment.

We want an open culture where people can be themselves by empowering people through ways of working which will help them and the business thrive.

- **Be curious** – Have a passion for learning. Look outside to see what we can learn, that's where the competition is, and inside to see what we can improve.
- **Be aligned on outcomes** – Discussion drives performance. But make a choice and commit to let people across the business deliver results.
- **Build trust** – Success is a shared endeavour. Be open, transparent and help others achieve no matter where they sit in the business.

- **Encourage simplicity** – Complicated processes are nobody's friend. Simple working methods deliver better outcomes.
- **Empower teams** – Teams trump individuals. Nobody has all the answers so empower teams to turn problems into solutions.
- **Test, learn & adapt** – Move at pace and be ready rather than perfect. Learn from mistakes and always adapt to improve.

But we also recognise that life is hard and people experience real difficulty at different times in their lives. That's why we invested in a leading Mental Health First Aider's programme so that we have one on every floor, in every one of our sites. Speaking honestly and openly about mental health and wellbeing is very much part of DLG's culture and identity and to help we offer a confidential helpline for all employees. Health Assured is a free service designed to provide colleagues with professional and independent information, support and counselling. Their helpline is available 24 hours a day and their number is 0800 316 9337.

It is important that every employee has a voice in the organisation and we have elected representatives in place in each function which meet regularly with the relevant leader; our UK Elected Representative Body (ERB) meets with the CEO on a quarterly basis to discuss business performance, new initiatives and updates and feedback from across the business.

There are other opportunities to get involved as well, for example through our Community & Social Committees (CASC), DNA, Health & Safety Representatives as well as events organised on a local basis. We also recognise that some people may choose to become involved in political activities such as standing for local or national government or other public duties. Where this is the case please ensure this activity is kept separate from your work and that company funds and resources are not used for political purposes.

Society

Use our expertise to improve outcomes for society and the communities we serve



We know that to remain a successful business we must reflect the customers we serve on a daily basis by offering insurance products that people value. Our scale and expertise gives us the ability to influence outcomes that benefit wider society – everything from the tax we pay, how we support people to get on in their careers to supporting our local communities and shaping public policy decisions.

The Group has a strong track record of road safety campaigning. Our Shotgun App-based device supports 17-25 year olds to become better drivers, and provides incentives for successful users to take out a DL car insurance policy. And we work with the Parliamentary Advisory Council for Transport Safety (PACTS) to campaign on specific issues to make roads safer.

StreetWise

We are part of the StreetWise consortium, working with FiveAI and TRL to trial autonomous vehicles on the streets of Bromley and Croydon. With rapid advances in the technology being developed to introduce autonomous cars on the roads we want to be facilitators throughout the early stages of this technological revolution.

Training future talent

We want to attract people into the business from all backgrounds because we know that diverse businesses succeed. The Group has a successful graduate and apprenticeship programme that prepares people to be the leaders of the future. Our graduates rotate across roles in a variety of disciplines within the business including frontline experience and our apprentices study for vocational qualifications and develop technical expertise within specific functions including Pricing, Auto Services and Human Resources.

Giving back to society

Everyone can volunteer on company time for their own chosen cause, one day a year. Some teams take a day out together supporting an organisation or individuals can dedicate a day of their time to support a cause dear to them. On top of this we also offer all colleagues the opportunity to take advantage of our payroll giving and cashback schemes where the business contributes extra money to individual causes people decide to support.

Through our Give As Your Earn initiative, all colleagues can give directly from their monthly pay to any charity and the Group will match that donation up to £50, every month. Alternatively, anyone can choose to donate the loose change from their net monthly pay directly to our charity partner, enabling us to assist our people in supporting the causes they care about.

As part of our contribution to society we believe that it's important to pay the appropriate amount of tax and manage our tax obligations responsibly. In addition as part of our investment portfolio, we invest in schools, hospitals and other social infrastructure assets which bring benefits to society as whole.

Planet

We want to protect our business from the impact of climate change and give back more to the planet than we take out



Not only do we want to consider how we protect the business from the impact of climate change, but we also want to ensure that we minimise any negative impact the business may have on the planet by giving back more than it takes out. Our thinking is based around three key levers – technology, behaviours and investment which provide ways to protect the business but also offer opportunities to deliver on our mission.

Technology is fundamentally changing almost everything the business does, changing the way it invests time and resource. It presents choices that allow us to tackle climate change and play our part in the transition to a low carbon economy; for example, from the work we are doing to provide customers with a full digital experience which is good for them but will reduce the need to post and print policy documents; to the work we are doing in our Auto Repair Centre network to enhance understanding of electric vehicle adoption and its repair process. And by keeping an eye on the future we are investing in partnerships such as StreetWise and Move_UK to gain a better understanding of autonomous vehicle technology and its potential for increased car sharing models, and their possible impacts on insurance.

We also want to use our position as a major UK employer to support and encourage behavioural change. The business actively promotes a series of internal initiatives

targeting as close as reasonable possible to 100% of total waste being recycled or recovered for energy use and investing in energy efficient systems that are designed to minimise our sites' energy consumption. We have negotiated catering contracts to introduce discounts for colleagues who bring their own reusable coffee cups, as well as offering plastic free solutions with compostable food containers, cutlery and cups across many of our sites. And we are investing in energy efficient practices in our ARCs with new paint spray booths that reduce our emissions.

Our investment portfolio gives the business a platform to shape environmental and social outcomes. Our largest asset portfolios are focused on investment grade corporate bonds which are measured against benchmark indices weighted by Environmental, Social and Governance ("ESG") factors, which tilts the composition of our portfolio towards higher holdings and weightings of issuers with strong ESG scores. We also invest in commercial property where we seek to improve the sustainability performance of properties through programmes of work (as required) to target levels of energy efficiency which exceed Government minimum requirements.

Governance

Look to the long-term for our shareholders and other stakeholders, build a reputation for high standards of business conduct and a sustainable business



We seek to maximise shareholder value over time, recognising that wealth generated also benefits customers and employees as well as the communities within which we operate.

We need to be extremely vigilant to ensure that information our shareholders and the stock market are entitled to know is announced to them properly and promptly. Equally we all need to ensure that information that is and should remain confidential is kept confidential.

Whilst working at DLG, you may acquire information that, if disclosed, could affect the Group share price or those of customers, suppliers or other businesses. Do not reveal sensitive or confidential information to anyone other than authorised colleagues. Improper disclosure or improper use of share price sensitive information is illegal, and breaches could lead to prosecution by the relevant authorities. If you believe information is at risk, please inform your manager immediately. You can also contact the Company Secretariat.

Many of us are also DLG shareholders; any member of staff seeking to buy or sell Direct Line Group shares must first read the Staff Share Dealing Rules on our intranet. Failure to follow these rules could result in disciplinary action including dismissal and a criminal prosecution.

Suppliers of goods and services and Business Partnerships

We aim to maintain the highest possible standards of integrity in business relationships with suppliers and partners by treating them honestly and with respect.

Those outside of the Group that work with us and with whom we work, have an important role in providing an excellent customer experience and protecting our corporate reputation. We are committed to ensuring that we act responsibly and ethically when pursuing and awarding business and always act within the letter and spirit of legislation (such as the Anti-Bribery Act 2010) and internal policies such as recording Gifts and Hospitality. Care needs to be taken to avoid conflicts of interest and please make sure you comply with the Group's requirements relating to conflicts of interest.

We recognise that as the UK's leading personal lines insurer, our influence and reputation can extend outside of our commercial interests, and that we play an important role in the areas in which we trade. We are focused on increasing sustainability across our supply chain. We have put in place a rigorous assessment process for our key suppliers which considers a wide range of factors which we believe are inherent to operating as a responsible business.

Competitors

We are committed to ensuring we compete with competitors honestly and in accordance with the relevant competition law.

Competition law exists to require companies to compete fairly, so that customers have the choice of good value and innovative products and services. We take compliance with competition law extremely seriously. There are severe penalties for individuals and for organisations for breaching competition law, as well as significant risks to our reputation.

Please make sure you are familiar with how competition law applies to you by reading the competition law guidance notes on our intranet site, which cover topics like price signalling, gathering competitor intelligence, contacts with brokers as well as handling meetings with competitors. It is important not to share or discuss any confidential information with our competitors, and to ensure our suppliers do the same. If competitively sensitive issues arise at an external meeting, leave and report the incident to your manager and to Group Legal. If you have any doubt about a potentially anti-competitive practice, please report it to your manager immediately.

Regulators

We will maintain a constructive and open relationship with our regulators to foster mutual trust, respect and understanding. We will not offer anything to officials in return for favourable treatment.

We ensure that all our dealings with regulators are in line with our legal and regulatory obligations and are timely, accurate, effective and professional. If you are contacted by a regulator for example the PRA or FCA please contact one of the Compliance team before entering into any dialogue.



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