Becoming the customers' insurer of choice

Becoming the customers' insurer of choice means prioritising their needs and fostering trust through exceptional service.

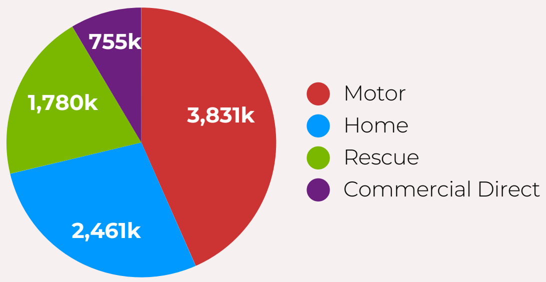
We strive to simplify the insurance process, offering easy-to-use solutions that resonate with our customers' unique situations.

The Group at a glance

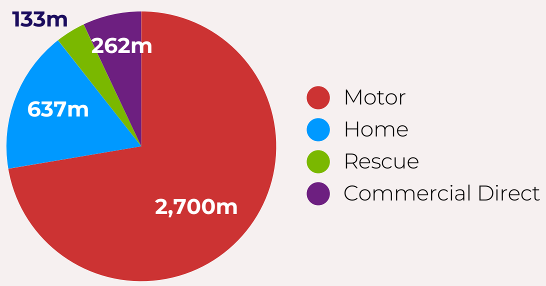
One of the largest personal lines insurers in the UK with two of the most recognised brands and almost 9 million customers.

We have strong brands and our products are sold direct to customers, through price comparison websites and via our partners.

Almost 9 million in-force policies (ongoing operations)



£3,732m premium written (ongoing operations)



In partnership with

We have unique assets in Motor which allows us to provide better outcomes to customers and to understand pricing, claims and customer behavioural trends.

We have a large insurer owned UK repair network

We operate through

23 sites

nationwide

Largest rescue brand owned by a UK Personal Lines insurer

Green Flag now has over

60 roadside patrol vehicles

supported by a national network of

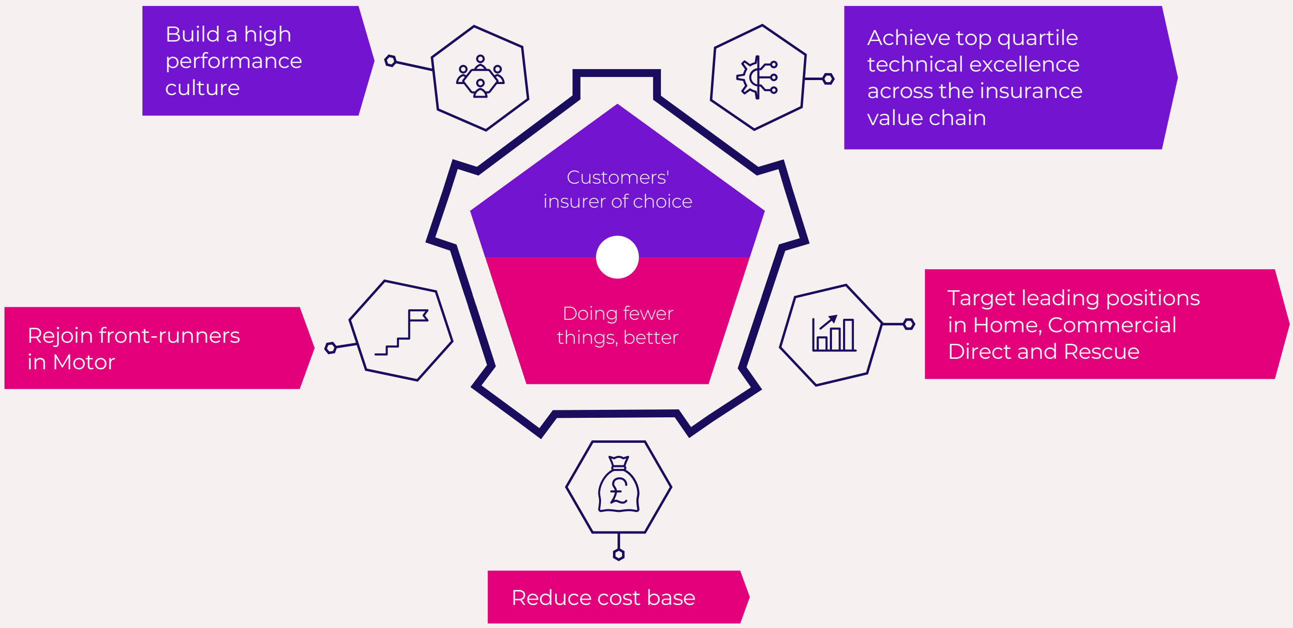
3,000 specialists

Our investment story and strategy

1. **Strong foundations with iconic brands and leading market positions**
2. **Unique assets in motor; large owned garage network and only UK Motor insurer with in-house roadside rescue**
3. **Turnaround strategy with a focus on technical excellence to drive profitable growth**
4. **Capital generative business with a strong balance sheet**
5. **Target a payout ratio of ~60% of post tax operating profit with potential for additional returns**

Our strategy

In 2024 we launched our turnaround strategy and targets with a focus on technical excellence to drive profitable growth.



Our targets

Growth	Costs	Profit
Compound annual growth rate ("CAGR") of **7%-10%** in Non-Motor gross written premiums between 2023-26	At least **£100m** gross cost savings by the end of 2025 on a run-rate basis	**13%** net insurance margin in 2026

Delivering for our customers

The Group has made significant progress on its transformation plans.

Motor

Direct Line launched on Price Comparison Websites (“PCW”)

In December we delivered one of our key objectives and launched Direct Line Motor on Compare the Market.

We have developed three new online products for the channel where the majority of customers shop and buy insurance: Essentials Online, Standard Online and Premium Online.

These products are tailored specifically to meet the needs of customers who choose to buy insurance through PCWs and are happy to service their policies online.

Digital

Launched new apps

We launched apps for our Churchill and Direct Line Motor customers enabling them to make those often-complicated tasks simple.

Customers can: view motor policy details and documents, make a change to their policy, renew a policy, get a quote, view existing quotes, start a claim or get support via a Virtual Assistant or WhatsApp.

With customers having Churchill and Direct Line in their pocket, they can be assured that whenever they need us, we’re there.

Home

Significant progress with the re-platform

Significant progress made with the re-platforming of our Home business which is designed to enable new product development, improve the speed and accuracy of pricing and underwriting and provide enhanced claims handling capability.

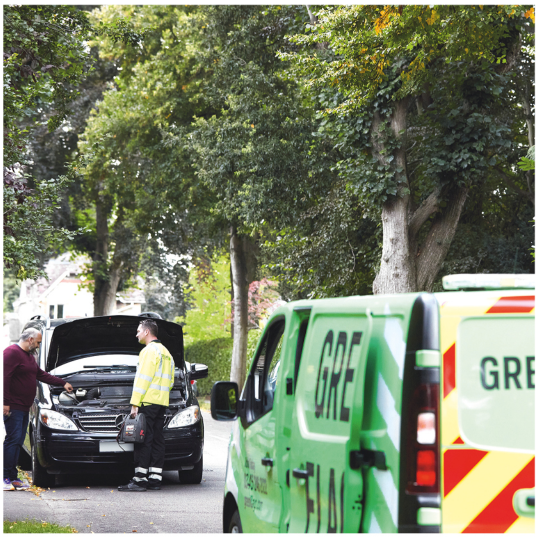
The new platform is now live for Direct Line, Churchill and Privilege new business customers across all channels and the transfer of existing customer policies is also underway.

Rescue

Collaborating with Apple and expanded patrol service

Green Flag is the only UK breakdown provider to offer rescue services as part of Apple's Roadside Assistance via satellite, providing drivers with the reassurance that help is at hand when they don't have mobile reception or Wi-Fi access.

The expansion of our Green Flag owned patrols continued at pace; we have expanded into new regions with over 60 vehicles on the road helping customers.



Costs

Progress against cost saving target

We are implementing a new target operating model and simplifying our structure to reduce complexity and drive greater efficiency.

We are investing in digital distribution channels to improve customer accessibility, streamline our operations and enhance the overall customer experience.

We are reducing technology costs by removing legacy technology systems and leveraging our existing platforms.

These initiatives underpin our £100 million cost saving target.

Claims

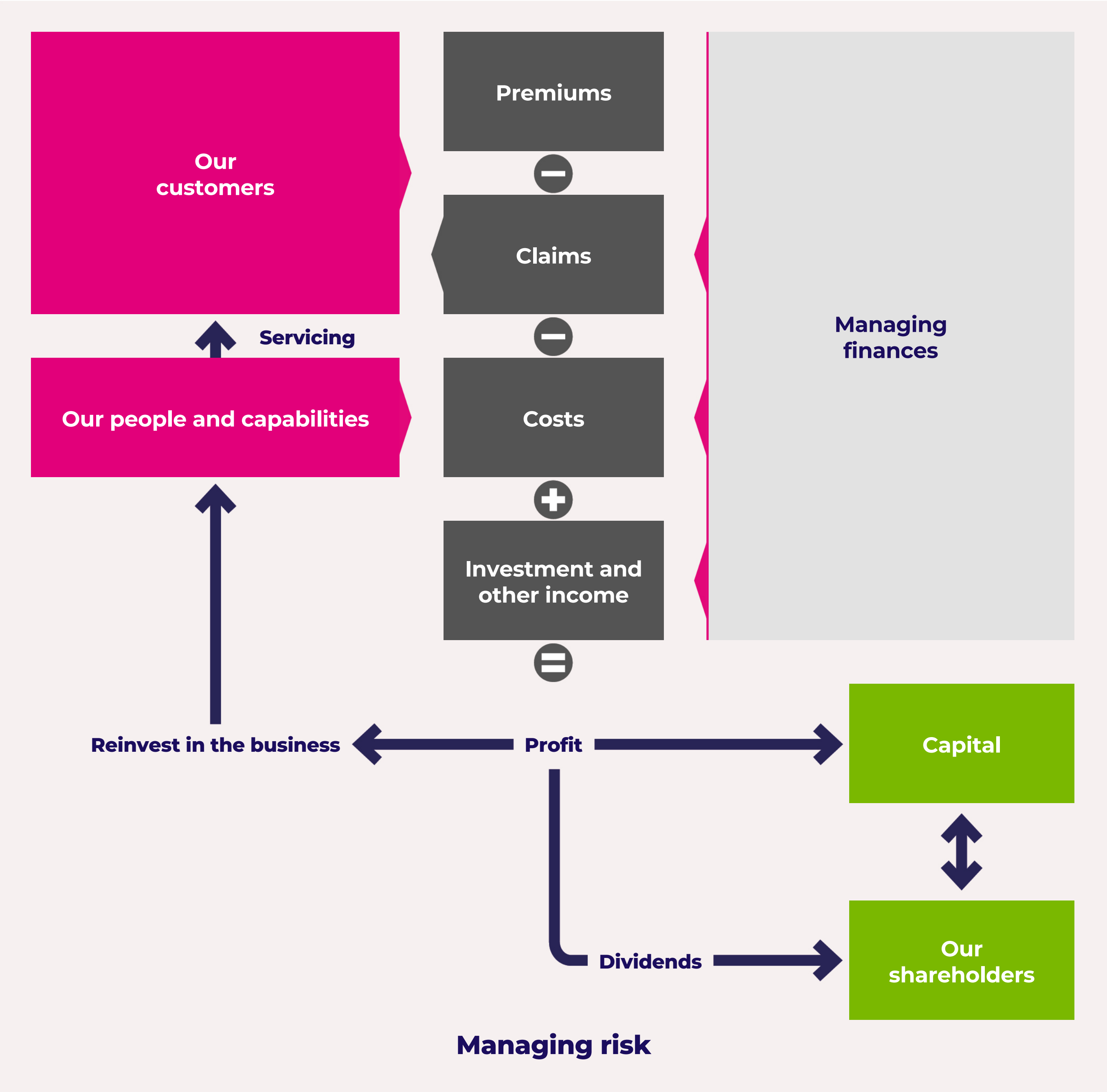
Delivering better customer outcomes

We have a comprehensive programme of initiatives in claims which are beginning to take effect.

For example, we are settling large bodily injury claims faster and increasing the proportion of cars repaired through our own repair network of 23 garages. We have also strengthened our counter fraud capabilities, resulting in a 21% saving year on year.

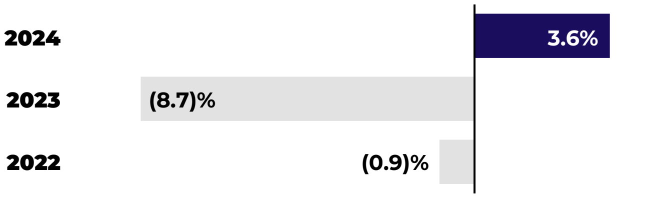
In Home, we are helping customers impacted by weather events, visiting flooded homes within 48 hours where safe to do so.

Business model

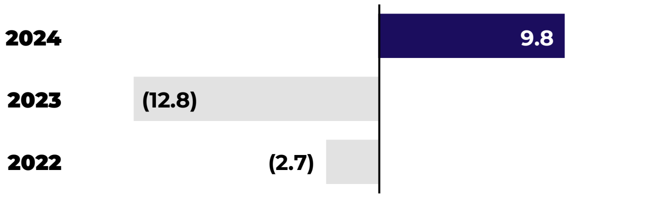


Our financial key performance indicators

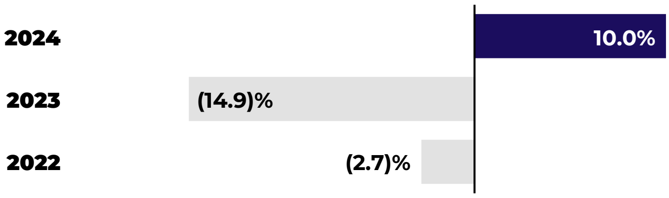
Net insurance margin[1] – ongoing operations[2] (%)



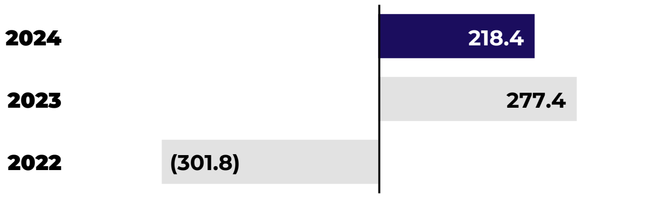
Operating profit/(loss) per share[1] – ongoing operations[2] (pence)



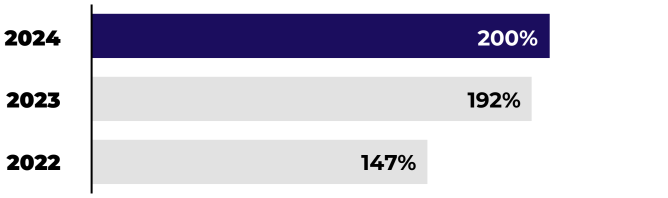
Operating return on tangible equity[1] ("Operating RoTE") (%)



Profit/(loss) before tax[3] (£m)



Solvency capital ratio (pre-dividend)[1,4,5] (%)



Changes to our KPIs in 2024

Our metrics are reviewed annually and updated as appropriate to ensure they remain an effective measure of delivery against our objectives.

For 2024, metrics have been reviewed and applied consistently to enable effective year on year comparisons.

Our non-financial KPIs continue to be key measures of performance. Colleague engagement is disclosed in the Chief People Officer review, net promoter score in the Customer section of Sustainability and emissions are disclosed in the Planet section of Sustainability. Customer complaints data is no longer reported.

Notes:

1. See glossary on pages 238 to 241 for definitions and appendix A – Alternative performance measures on pages 242 to 245 for reconciliation to financial statement line items.
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3. 2023 included a gain of £443.9 million from the disposal of the Group's Brokered commercial business.
4. Estimates based on the Group's Solvency II partial internal model.
5. The full year 2023 solvency capital ratio has been re-presented as explained in the Capital analysis section of this report (post-dividend ratio previously reported in the Group's 2023 Annual Report and Accounts as being 197%).

Chair's statement

Capital returned to shareholders since IPO

£4.0bn

Dear Shareholders,

It has been a pivotal year in the Direct Line Group's history, and one in which the value and potential of our business and brands have come into sharp focus.

In a highly competitive and dynamic market one of our top priorities has been to return to profit. I have been impressed by the resilience and tenacity of our colleagues, who have worked to support a new and invigorated strategy and transformative plan, which has delivered a solid financial and operational performance. This has been an impressive team effort, achieved by a relentless focus on continuously improving how we attract and compete for customers within our risk appetite.

New management, strategy and performance

Adam Winslow joined the Group as CEO on 1 March 2024 and was appointed to the Board as an Executive Director on 21 March 2024. He undertook a comprehensive review of the business and, after listening carefully to our investors, customers and colleagues, established a new strategy, designed to position Direct Line Group to become the customers' insurer of choice, and to set a clear path to profitable growth.

Adam assembled a highly experienced executive team which swiftly began to take the critical action necessary to turn the business around with energy and determination. He and his team adapted to the many and varied challenges leading the turnaround with exemplary judgement, phenomenal levels of energy and great connection with our people – all done at remarkable pace. Adam's vision and hard work have been central to the considerable progress made in 2024 and I, and my Board would like to thank him for that.

You will see in this Annual Report that we've made considerable progress in delivering the new strategy and turnaround, resulting in a Group operating profit[1] from ongoing operations[2] of £205 million and improved our Motor net insurance margin[1]. A great deal of what was planned in 2024 is due to come to fruition in 2025, and the Board anticipates the positive momentum continuing.

With this positive progress, the Board was able to pay a small dividend of two pence per share at Half Year. We are also recommending a further five pence per share final dividend with our full year results.

Takeover approaches

The Board takes its aim of maximising value for shareholders very seriously. Early in the year, we received an indicative proposal from Ageas to purchase the Company. After intensive deliberation and consultation with investors, the Board unanimously rejected this proposal, believing it to be uncertain, unattractive and significantly undervaluing the future prospects of the business.

In late November 2024, we received an approach from Aviva plc which, again, the Board rejected on the grounds that it undervalued the business. Aviva subsequently improved its offer, and we announced on 23 December 2024 that we had reached agreement on the terms of a recommended cash and share offer. Based on the closing price of Aviva shares on 27 November 2024, that offer values each Direct Line share at 275 pence, and values the entire diluted share capital at approximately £3.7 billion.

The Board firmly believes that the new strategy set out by Adam would drive substantial value, and are confident in the prospects that the Group would have as a standalone business. However, the Board also believes that Aviva's offer represents an attractive proposition for our investors and recognises that it provides an accelerated path to returns, including significant synergies and value upside potential in the combined group of companies. Therefore, following detailed consideration and engagement with investors and other stakeholders, the Board unanimously decided to recommend Aviva's offer to shareholders for approval. Aviva's culture and values align well to those of Direct Line Group and were an important consideration in the Board recommending the offer.

People

Having spoken to many of our colleagues over the past few months, I have felt the huge sense of pride that they have in the work they do to support customers, and in the progress we have made. They really care about our customers and being brilliant for them every day.

I know that working with uncertainty isn't easy, and I commend and thank them all the more for their continued support and professionalism during this period.

Customers

During the year, we continued to put our customers at the heart of our decisions and aspired to excellence through all stages of the customer journey. One area of particular focus has been on delivering good customer outcomes under the Consumer Duty. The regulations are outcome based and the Financial Conduct Authority ("**FCA**") has been clear that they expect firms to keep developing and improving. In order to enhance the Board's continued oversight of the Consumer Duty, the Customer & Sustainability Committee has been given a strengthened role.

Board

In addition to Adam Winslow, we were delighted to welcome our new CFO, Jane Poole, to the Board as an Executive Director on 10 October 2024. Jane has made a meaningful impact in the few months since her appointment, progressing the transformation of our Finance function, enhancing our financial strategies and playing a central role in the negotiations with Aviva. We were also pleased to welcome Carol Hagh to the Board as a Non-Executive Director on 1 April 2024. I am grateful to all of my Board colleagues for their unstinting support and hard work, both in supporting the management team in resetting the Group's strategy and in starting the transformation of the business, and in diligently discharging their roles during the detailed discussions leading up to our recommendation of the Aviva offer.

It has been a privilege to serve as a member of your Board since 2017 and as Chair since 2020. I am extremely proud of everything our people have achieved in building our outstanding brands, transforming our businesses and supporting our customers. I am certain they will continue to excel, either in an independent Direct Line Group or as part of the Aviva Group. I would also like to thank all our stakeholders for their continuing support and wish them every success in the future.

Danuta Gray
Chair of the Board

Agreement for the acquisition of Direct Line Group by Aviva

- As announced on 23 December 2024, the Boards of Direct Line Insurance Group plc ("**Direct Line**") and Aviva plc ("**Aviva**") reached agreement on the terms of a recommended cash and share offer for Direct Line.
- The transaction values each Direct Line share at 275 pence and values the entire diluted share capital of the Group at approximately £3.7 billion[1].
- The transaction is subject to certain regulatory approvals, including from the Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**") as well as review by the Competition and Markets Authority ("**CMA**").
- Direct Line shareholder meetings are scheduled to be held on 10 March and the transaction, subject to regulatory clearances, is expected to become effective mid-2025.

Note

1. Based on the closing price of Aviva shares of 489.3 pence on 27 November 2024 (being the last closing share price before the commencement of the Offer Period) and taking into account the final dividend of 5 pence per share announced today.

Notes:

1. See glossary on pages 238 to 241 for definitions and appendix A – Alternative performance measures on pages 242 to 245 for reconciliation to financial statement line items.
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Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have had regard (amongst other matters) to those matters set out in Section 172(1)(a) to (f) Companies Act 2006.

Please refer to pages 86 to 88 for our detailed statement, which describes how the interests of the Company's key stakeholders and the matters set out in Section 172(1)(a)-(f) Companies Act 2006 have been considered in Board discussions and decision making.

CEO review

"The turnround strategy, launched in July has made a marked difference to the company's performance, and we generated good momentum across all our business lines."

Adam's letter to shareholders

In 2024 we embarked on an ambitious mission to rapidly transform Direct Line Group. Our focus on a new strategy, delivering technical excellence, driving down cost and embracing a high-performance culture has delivered a turnaround in results. Despite difficult market conditions, 2024 ended with an operating profit significantly ahead of the previous year.

Unlocking potential

I joined Direct Line Group in March 2024, just as the Board had rejected a "highly opportunistic" proposal from Ageas SA/NV, which they felt significantly undervalued the business and its prospects. My focus was firmly on diagnosing the issues holding back performance and demonstrating to our investors how we could rapidly unlock the potential of the Group. I spent a lot of time with our stakeholders to understand their frustration with the ways the Group had lost its technical edge and underperformed in recent years.

At our Capital Markets Day in July 2024, we laid out a new strategy for the Group to address investors' concerns and establish a roadmap to transform the business quickly. We laid out targets for becoming the customers' insurer of choice and delivering profitable growth with measurable targets across the next three years. We have made solid progress to date and started to deliver against many of the key initiatives rapidly.

We announced we would intensify our focus across our Motor and Non-Motor segments. Prioritising driving value in core disciplines has been beneficial, with all areas demonstrating positive performance. Importantly, we're also securing consumer accolades, showing that we are providing products and service that customers truly value. With two of the strongest brands in personal lines insurance, Direct Line and Churchill, and with Green Flag as the leading challenger in the Rescue market, we have fantastic assets to build upon.

Financial progress

The business has delivered a net insurance margin of 3.6%[1,2], a 12.3 point improvement on the previous year. We have a stated aim to increase this to 13 per cent[3] in 2026. We are well on our way to delivering a significant reduction in our cost base, to narrow the gap with our competitors, targeting at least £100 million of gross cost savings by end of 2025 on a run-rate annualised basis[4] and we have maintained a strong pre-final dividend solvency capital ratio at 200%[5], a good platform from which to help the Group withstand headwinds.

Strategic and operational highlights

- Direct Line Motor on Price Comparison Websites ("**PCWs**"): Successfully delivered on one of our key strategic ambitions with the launch of three new Direct Line branded Motor products on the Compare the Market PCW.
- Motor pricing: Next generation pricing models implemented alongside four material new data enrichment sources.
- Home re-platform: All own brands now live on the new technology platform which brings significant new pricing and underwriting capability and supports simplification.
- Rescue: Two new contracts signed, including a collaboration with Apple, becoming the only UK breakdown brand to offer rescue services as part of Apple's Roadside Assistance via satellite. The own patrol fleet was further expanded to over 60 vehicles across 6 regions (2023: 16 patrols across 2 regions).
- Commercial Direct: New risk models rolled out for Van and improvements made to Landlord online journeys.
- Digital: New apps launched for Direct Line and Churchill Motor, with almost 300,000 downloads to date, enabling customers to make policy changes with ease.
- Cost saving programme: A series of initiatives aimed at simplifying the organisation is projected to deliver £50 million gross cost savings in 2025, as part of our target to achieve run-rate gross savings of more than £100 million by the end of 2025[4]. Our drive to create a leaner and more efficient operating model is well advanced, with consultations now complete as part of a reduction of 550 roles.
- Claims: A range of initiatives launched across Motor and Home, designed to deliver better outcomes for customers at lower cost.
- Travel: We have decided to close our annual multi-trip and single trip travel insurance products to focus on our core markets in Motor, Home, Rescue and Commercial Direct.

Operational transformation

We have made considerable progress over the year. In Motor, in July we announced that we would be putting our strongest brand, Direct Line, on Price Comparison Websites ("PCWs"), where 90 per cent of motorists purchase their insurance. Less than six months later, in December 2024, we delivered on this promise. We launched three new Direct Line branded motor products on the biggest PCW in the UK with an ambition to return our overall Motor policy count to growth during 2025. Our Motability partnership has also seen an increase in policy count and we aim for it to continue to grow.

Beyond Motor, we outlined ambitious plans to grow our Home, Rescue and Commercial Direct offerings. In Home we delivered own brands premium growth of 18% and increased own brands policies by 1.3%. Technology re-platforming is now largely complete with Direct Line, Churchill and Privilege all trading on a new platform.

In our Commercial Direct Insurance business, our strong proposition in Landlord and our compelling SME offering delivered 8.8% gross written premium growth and strong customer retention. We stayed disciplined on the bottom line in Van and our earned loss ratios were within our target range.

Our Rescue business made significant strategic progress in 2024. We grew our ‘owned patrol’ network to over 60 vehicles, covering 28% of the UK market, supported nationally by a network of independent providers. These owned patrols helped customers, and also generated over £600,000 in additional roadside revenue.

Technical innovation will remain a key focus across the Group as we seek to drive home a competitive advantage. We signed a contract with Apple for Green Flag to become the first UK breakdown provider to offer rescue services through Apple’s Roadside Assistance via satellite capability. This allows us to reach people who might otherwise not get help because they don’t have mobile phone reception or Wi-Fi access.

We launched two new apps, for Direct Line and Churchill, meeting the needs of customers who increasingly want to engage with us digitally. We will keep our focus on aiming to build seamless customer journeys, letting people self-serve, simplifying the claims process and making our products more accessible. We aim to expand AI solutions to reduce cost and increase the speed of service to meet the evolving needs of policyholders.

In Claims we’re improving the service we provide customers while unlocking savings across our operations. We’re settling bodily injury claims much more proactively, reducing the number of cars we write off and using our network of owned repair centres to control costs. Effective claims management also relies on excellent counter fraud capabilities, and we delivered a 21% increase in cost savings after introducing data analytics and voice analysis profiling.

Effective risk management

As a general insurer, the environmental factors impacting the Group’s performance are major UK floods, windstorms, freeze events and subsidence. We believe we are appropriately reserved against those perils. During the year, we acquired climate scenario modelling capability to support our assessment of the impact climate change could have on our underwriting and investment portfolio. This also helps us better understand the opportunities that may arise from the transition to a lower-carbon economy.

When implementing the strategy outlined at the Capital Markets Day, we ensured that we set out to embed enhanced risk controls within the business. For example, new pricing and risk models enable us to be more agile, allowing for more frequent rating and risk model updates. This renewed focus on risk management procedures, monitoring emerging threats and tightening control environments helps protect profitability and reduces the likelihood of unexpected impacts on our Group.

Cultural transformation

We have recruited an entirely new Executive Committee of high calibre, experienced leaders, with a track record of delivery. This new leadership team have made great strides in transforming the culture of the business, and our colleagues have embraced the opportunity to grow and operate with a high-performance mindset.

Transforming a business is not easy, and we've had to make tough decisions about people and capital expenditure. We are simplifying our management structure in line with our aim of being a more efficient organisation with clearer accountability.

Over the last year we have made the necessary changes to succeed in what is an incredibly competitive industry. Throughout it all, our talented colleagues have consistently demonstrated their resilience, energy and commitment. They take immense pride in our brands and want to be brilliant for our customers every day.

Navigating headwinds

In 2024, the insurance industry continued to grapple with significant trading headwinds. Inflation drove up the cost of claims, particularly in Home and Motor, where repair and replacement costs have surged in recent years. Economic uncertainty and the ongoing pressures from the cost-of-living crisis have created an increasingly competitive market, with insurers facing challenges in balancing affordable premiums while maintaining profitability. These factors meant we needed to adopt innovative approaches to underwriting, pricing, and risk management.

Looking forward

2024 was a landmark year for Direct Line Group, with the Board recommending a cash and share offer for the purchase of Direct Line Group by Aviva plc. On 10 March 2025 Direct Line Group's shareholders will vote on the transaction.

The potential acquisition by Aviva, which remains subject to shareholder and regulatory approval, reflects the attractiveness of the Group, and we believe indicates the significant strength of our brands and products, the trust of our customers, talent of our people and the scale of the future opportunity. In the meantime, we remain an independent business focused on transforming our organisation, so we are better equipped to serve our customers with exceptional products and services. While we need to plan appropriately for this potential takeover, we need to make sure we don't take our foot off the accelerator when it comes to delivering business change.

I am filled with immense pride in what this business has achieved since I joined. The passion and dedication of our colleagues, with an unwavering commitment to delivering brilliant customer outcomes, is unparalleled. Our mission goes beyond policies and claims: we help safeguard communities, support the vulnerable and allow our customers to face the future with confidence.

We are set to embrace the opportunities of tomorrow thanks to the hard work and dedication of all those at Direct Line Group.

Adam Winslow
Chief Executive Officer

Notes:

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3. Net insurance margin for ongoing operations, normalised for event weather.
4. The Group's total operating expenses, acquisition expenses and claims handling expenses, adjusted to exclude restructuring and one-off costs, commission expenses and costs associated with the Brokered commercial business, Motability and By Miles.
5. Estimates based on the Group's Solvency II partial internal model.

CFO review

"I was delighted to join the Group as CFO at such an important time and lead our financial strategy as we aim to grow, to deliver on our commitments to serve millions of customers, and to create long-term sustainable shareholder value."

Gross written premium and associated fees[1,2]

£3,732m

2023: £2,978m

Ongoing[2] operating profit[1]

£205m

2023: £190m loss

Ongoing[2] net insurance margin[1]

3.6%

2023: minus 8.7%

2024 has been a year of significant transition for our Group. I was delighted to join the Group as CFO at such an important time and lead our financial strategy as we aim to grow, to deliver on our commitments to serve millions of customers, and to create long-term sustainable shareholder value.

Against a challenging external environment, we have embarked on a bold reset strategy, to focus on improving business performance, enhance financial strength, and embed a robust culture of accountability and control.

Financial highlights

This report outlines the financial results for the year. 2024 performance illustrates the early stages of our turnaround and provides a strong foundation upon which to build as we accelerate delivery of our strategy. Our key financial highlights were:

- 25% growth in gross written premiums and associated fees. Strong growth of 32% in Motor including Motability and 11% in Non-Motor, above our 7% to 10% compound annual growth rate ("**CAGR**") target.
- £395 million increase in ongoing operating profit, largely due to the turnaround in Motor profitability, alongside a strong result in Non-Motor.
- Net insurance margin of 3.6% for ongoing operations, a 12.3pt improvement versus prior year, demonstrating disciplined underwriting.
- Investment income was £200 million (2023: £139 million), as we continued to benefit from higher rates with a Group net investment yield of 4.1%.
- Group profit before tax was £218 million, £59 million lower than previous year which included a gain of £444 million from the sale of the Brokered commercial business.
- Tangible net asset value growth of 10% to £1,362 million and net asset value grew by 4% to £2,138 million.
- Strong solvency capital ratio (pre dividend) of 200% and the Board has recommended a final dividend of 5.0 pence per share. The Group generated 20pts of capital during the year supporting the strong balance sheet.

Further information is set out in the Group financial performance section on page 20.

Driving business performance

It is critical, at this stage of our turnaround, that we focus on supporting strategic execution and driving improved business performance. To achieve this, our Finance team are driving a step change in performance focus by providing improved management information to the commercial teams and prioritising financial performance. We aim to do this while maintaining excellent cost control, operating more efficiently and focusing on our ambition of achieving at least £100 million of gross cost savings by end of 2025 on a run-rate annualised basis[3].

In 2024, we focused on strengthening our performance in core segments, leveraging our strategic advantages, and investing in key areas of growth. Our results highlight early stages of recovery as we delivered 25% growth in gross written premiums and associated fees[1,2], a £395 million improvement in ongoing operating profit[1,2] and 10% growth in tangible net asset value[1]. These results provide a strong foundation from which to be able to deliver on our strategic ambition of achieving 13% net insurance margin[1,4] in 2026.

Strengthening financial resilience

Ensuring long-term financial strength is a key priority, positioning us well for sustainable growth and enhanced shareholder value opportunities. I have reviewed our balance sheet, acted to assure balance sheet strength and remain focused on prudent capital management. By leveraging targeted financial strategies, we aim to further optimise capital allocation, enhance efficiency, and help drive long-term performance.

- Capital allocation framework: During 2024, we introduced a more rigorous capital allocation framework to help us prioritise investments in the most profitable and strategically aligned opportunities.
- Investments: Our investment portfolio is already well diversified, and optimised in line with our approach to asset and liability management. During the year we reinvested cash back into investment grade credit and introduced index linked gilts, which are capital light, to match our PPO liabilities and further diversify whilst generating good yields.
- Reinsurance programme: At the end of 2024 we implemented a comprehensive reinsurance programme designed to reduce earnings volatility, strengthen our balance sheet, and support our long-term financial health. In our January renewals we optimised cost and risk: in Motor we now have unlimited cover above £5 million; in property we increased our catastrophe cover limit in line with our exposure to cover a 1 in 200 year loss event; while retention is unchanged at £100 million.
- Reserve strength is a key underpin to balance sheet strength and the setting of best estimate liabilities is a key accounting judgment in the Group's financial statements. Alongside the independent re-projections performed by our auditors, the Board annually commissions an independent review of our claims reserves. These alongside Audit Committee challenge to our internal actuarial analysis on reserves, provides us with additional comfort that our best estimate liabilities are within a reasonable range.

Embedding a culture of accountability and control

We enhanced our financial control framework and assurance, delivering greater oversight, control and proactive risk management. This will help to improve long-term stability.

- Governance enhancements: A comprehensive overhaul of our governance structures is progressing and aims to strengthen accountability at all levels and to ensure rigorous oversight and effective decision making.
- Financial control: We enhanced our financial control framework and controls assurance, delivering greater oversight, control, and proactive risk management.
- Focus on risk awareness: We proactively identify and address emerging risks, positioning the organisation to respond effectively to an evolving landscape.
- Cultural transformation: A strong and engaged workforce underpins our ability to achieve sustainable growth. By embedding a sense of accountability and ownership, we are empowering teams to deliver results and drive the company's turnaround strategy.

Outlook

As we continue our turnaround journey, our financial strategy remains focused on our clear objectives of delivering profitable growth, enhancing operational efficiency, and reinforcing our financial resilience. Whilst we have made significant progress, we recognise there is more work to do to achieve our long-term ambitions. I am confident that the disciplined execution of our strategy can deliver lasting value for our customers, colleagues, and shareholders.

Jane Poole
Chief Financial Officer

Notes:

1. See glossary on pages 238 to 241 for definitions and appendix A – Alternative performance measures on pages 242 to 245 for reconciliation to financial statement line items.
2. Ongoing operations – the Group's ongoing operations result excludes the results of the Brokered commercial business, that it sold to RSA Insurance Limited in 2023, and its Non-core businesses, announced at the Group's 2024 Capital Markets Day, and three run-off partnerships that the Group completed its exit from in H1 2024. Relevant prior-year data has been restated accordingly. See glossary on pages 238 to 241 for definitions and Appendix B – Management view statements of profit and loss, expenses, average premiums, gross written premium and associated fees and in-force policies on pages 246 to 253.
3. The Group's total operating expenses, acquisition expenses and claims handling expenses, adjusted to exclude restructuring and one-off costs, commission expenses and costs associated with the Brokered commercial business, Motability and By Miles.
4. Net insurance margin for ongoing operations, normalised for event weather.

Chief People Officer review

"At Direct Line Group we are a team of talented individuals, in a place that empowers us to be the best we can be to drive high performance."

Colleague engagement

72

UK average: 72

Engagement survey response rate

82%

UK average: 75%

Jane's letter to the shareholders

At Direct Line Group we are a team of talented colleagues, in a place that empowers us to be the best we can be. We believe that by working together, we can achieve great things. Inspiring, challenging and supporting each other to aim higher to continually improve our performance and set new standards. We take accountability for our work. We strive to be brilliant for customers every day and deliver great outcomes for them. We celebrate difference and value diverse perspectives, ideas and opinions.

In 2024, we have been focused on continuing to support and encourage colleagues to build on their skills and experience to do the best work of their career and make their full contribution to becoming a high performing business.

Driving high performance culture

We have continued the emphasis around high performance, giving greater clarity to colleagues on what this looks like, what they need to deliver and how to deliver it, through setting clear objectives and building our managers' capability to have better performance and development conversations. We have communicated this change to provide colleagues with clarity, fairness and transparency.

We continue to conduct multiple engagement surveys throughout the year to seek feedback from our colleagues on how they are feeling so that we can make actionable change. In September 2024, we were proud to receive an Engagement score of 72, which was a growth of 3% when compared to our previous survey in February 2024, and is in line with the average engagement across the UK.

Strengthening our Leadership Capability

In 2024, we appointed a new Executive team. To accelerate the development of the team, we commenced a 12-month group development programme partnering with an external team performance coach. The programme involves a combination of individual and group coaching, building strong alignment of goals and performance standards, establishing effective team practices, and ultimately aims to ensure groups are performing at their best, both individually and collectively.

Alongside this, we placed a key focus on the development of our senior leaders, including externally facilitated, psychometric leadership assessments followed by the launch of a bespoke programme designed to accelerate our high performance culture supported by an external coach.

There is strong evidence to suggest our recruitment and development approach is adding value, with our September 2024 employee engagement survey having reported a significant 10 percentage point increase in confidence in our senior leadership team since the survey in February 2024.

Rewarding Colleagues

In April 2024, all eligible colleagues (excluding senior management) received at least a 5% pay rise, with our minimum salary rising by 7% to £23,400 a year, in line with the Living Wage Foundation's National Real Living Wage (as set in October 2023 for roles outside of London). This was 5% above the Government's statutory National Living Wage, effective 1 April 2024, for those aged 21 and over. From April 2024, all colleagues became eligible either for incentives or our annual incentive scheme.

A diverse and inclusive business

We know that to succeed as a high performing business we need our workforce to be truly representative of our customers and society. Diverse perspectives, ideas and opinions lead to more insight, innovation and better decision making. And we know that being diverse is not enough, we also need to be inclusive, so everyone feels free to be themselves and be able to succeed in their careers.

We believe that delivering change requires both policies and targets and a change in mindsets so we undertake activity to deliver both. Some examples include:

- Targeting ambitious new representation targets by 2027 and including them in their annual objectives.
- Using inclusive hiring principles, which include the use of recruitment tools, such as language decoders for job adverts and panel-based interviewing.
- Building a stronger pipeline of diverse talent, especially in areas where the jobs of the future are, because we want to future-proof our activity. This includes work experience, mentoring and skills building programmes that target less advantaged communities for our Ignite apprenticeship programmes.
- Developing our partnerships with The Diversity Trust, Race Equality Matters and Spear and maintaining our relationship with Parenting Mental Health. The intention of these partnerships is to support external communities whilst also driving greater equity, inclusivity and active allyship across the Group.
- We also partner with the Business Disability Forum, who have supported us this year in auditing our guidance on working with vulnerable customers, and with the ABI who, through their active DEI network, provide benchmarking opportunities and learning on industry best practice.
- Learning from our Diversity Network Alliance ("**DNA**") which comprises seven employee networks which are a key driver of diversity and inclusion across our business. They focus on the following areas: Belief, Life (families and carers), LGBTQ+, Neurodiversity and Disability, REACH (race, ethnicity and cultural heritage), Social Mobility and Thrive (gender).

We feel confident that all of these things are contributing to us becoming a more diverse and inclusive business.

Finally, I wanted to add what a pleasure it has been joining the Group. I have been so impressed by the talent across the organisation, the commitment to deliver against our strategy and the strong sense of a high performance culture that we are building. I am looking forward to spending more time with the teams, across our different locations over the coming months.

Jane Storm
Chief People Officer

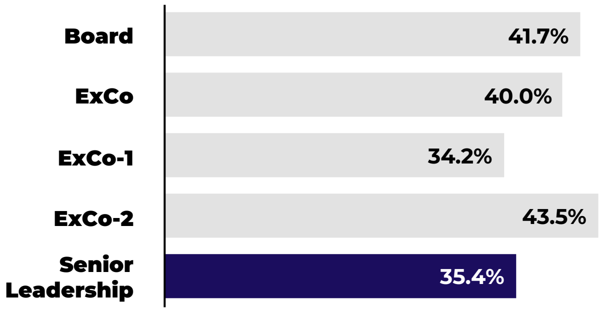
Note:

1. Senior leadership is defined as ExCo and their Direct Reports, where our definition of ExCo-1 is direct reports of the approved list when they meet all the following criteria:
   - must be at a certain reward level and therefore not support staff;
   - not a fixed term contractor covering maternity or medical leave; and
   - not on garden leave.

Senior Leadership[1] female representation

Increasing the diversity of our senior leadership is an ongoing target for the Group. In 2024 we made an intentional move to ensure Diversity Equity & Inclusion ("DE&I") is considered through all people and business decisions. In 2024 we have made progress towards our 2027 target of women comprising 40% of Senior Leadership, particularly at ExCo level.

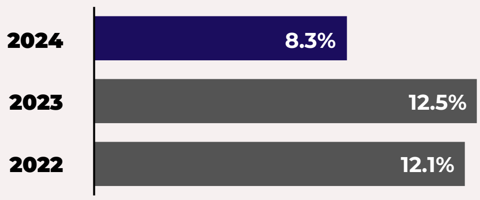
Senior leadership[1] female representation as at 31 December 2024



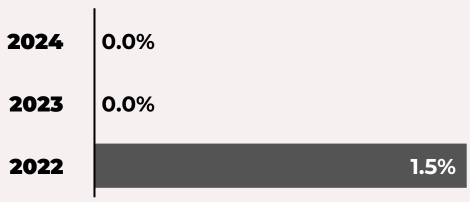
Senior Leadership ethnic minority and Black representation

We recognise that we need to do more to ensure equitable representation across our organisation, particularly for ethnic minorities, and have set targets to achieve representation in Senior Leadership roles of 16% ethnic minorities, including 4% Black representation, by the end of 2027. We are accelerating programmes to improve inclusivity across the employee lifecycle, increasing the retention and promotion of colleagues from ethnic minority backgrounds. We have strengthened our succession plans, including high potential talent from under-represented groups and will review these annually. To facilitate colleague progression, we invested in access to WeQual, the world's leading development network for women leaders and INvolve Emerging Leaders' programmes for under-represented communities.

Ethnic minority representation in Senior Leadership[1]

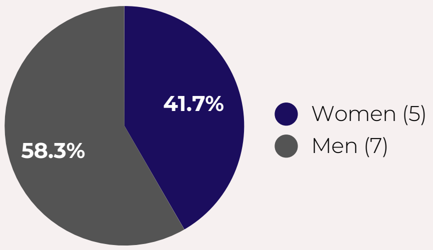


Black representation in Senior Leadership[1]



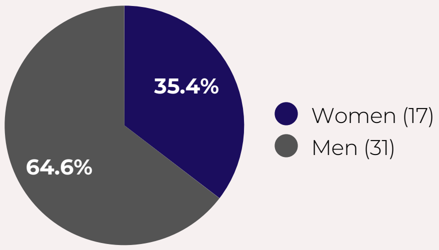
Gender diversity[1] of our Board

As of 31 December 2024



Gender diversity[1] of Senior Leadership

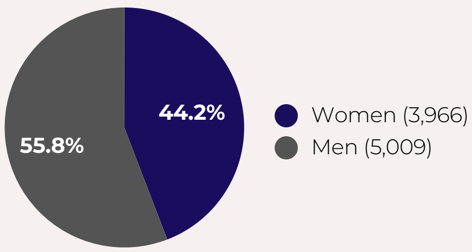
As of 31 December 2024



Gender diversity of Senior Leadership defined as Executive Committee and direct reports, excluding those in support or administrative roles

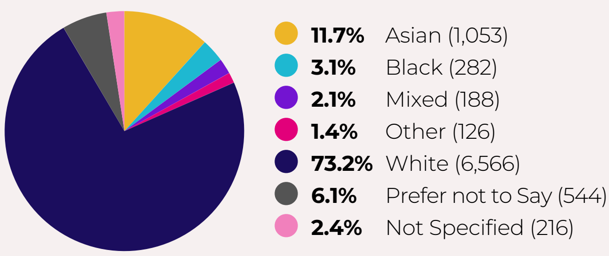
Gender diversity[1] of all employees

As of 31 December 2024



Ethnicity of all employees

As of 31 December 2024



Gender pay gap[1]

In 2024, our mean gap widened by 1.1 percentage points and our median gap by 1.7 percentage points. Our pay gap is now broadly in line with peers when compared with the broader financial and insurance services sector but we want to see that gap close. We are comfortable that we do not pay people differently because of their gender and believe that the way to reduce the gap in the medium to long term is to continue with our work to seek to address the disproportionate representation of women at senior levels and in certain areas of our business. The figures used for the gender pay gap reporting are reflective of the snapshot at 5 April 2024, which this year has been impacted by a lower proportion of women in senior leadership roles across the Group at that time. Since this time, good progress has been made in enhancing women in senior leadership roles. A further influence in the pay gap relates to our accident repair centres, an area that is heavily resourced by men and where pay levels are at a market premium compared to other positions within our lower bands due to the external recruitment market, resulting in them being positioned in our top two pay quartiles.

Our 2024 gender pay gap showed:

Gender pay gap

	Mean	Median
2024	**22.2%**	**25.1%**
2023	21.1%	23.4%
2022	19.3%	20.3%

Gender bonus gap

	Mean	Median
2024	**56.3%**	**43.6%**
2023	53.8%	43.8%
2022	46.7%	45.4%

% of employees receiving bonus

	Men	Women
2024	**77.2%**	**71.2%**
2023	84.2%	87.3%
2022	83.1%	82.6%

Note:

1. Gender diversity refers to Legal Sex.

Ethnicity pay gap[2]

This is the fourth year that we are voluntarily disclosing our ethnicity pay gap. As with the gender pay gap, we are comfortable that we do not pay people differently because of their ethnicity and believe that the way to reduce the gap in the medium to long term is to continue with our work to address the disproportionate representation of ethnic minority colleagues at certain levels and in certain areas of our business.

We are proud that 91% of colleagues have disclosed their ethnicity with us, as we continue to encourage more colleagues to share, the numbers we report in the future may change as a result. It is important to note that when pay gap data is represented by a smaller number of colleagues, it can vary significantly due to changes in the make up of our colleagues during the year. Our pay gap for all ethnic minorities remains low and has narrowed in 2024.

Ethnicity pay gap

	2024 Mean	2024 Median	2023 Mean	2023 Median
Ethnic minority (overall)	**-0.8%**	**11.0%**	1.0%	12.7%
Asian	**-6.6%**	**8.9%**	-2.7%	14.1%
Black	**16.8%**	**19.7%**	12.2%	17.8%
Mixed	**3.2%**	**9.0%**	3.2%	8.2%
Other	**-0.3%**	**-4.9%**	2.9%	-0.2%

Ethnicity bonus gap

	2024 Mean	2024 Median	2023 Mean	2023 Median
Ethnic minority (overall)	**27.2%**	**4.1%**	28.7%	20.4%
Asian	**29.4%**	**0.0%**	29.2%	20.5%
Black	**42.4%**	**16.3%**	40.6%	24.5%
Mixed	**21.7%**	**3.4%**	22.3%	15.3%
Other	**-3.3%**	**12.6%**	16.9%	10.1%

% of employees receiving bonus

	2024	2023
White	**77.4%**	88.0%
Ethnic minority (overall)	**63.5%**	78.5%
Asian	**64.0%**	77.7%
Black	**53.4%**	74.1%
Mixed	**69.4%**	78.6%
Other	**72.8%**	89.6%

Notes:

1. Gender pay gap shows the difference in average pay between women and men. This is different to equal pay, which is women and men receiving the same pay for work of equal value. Our reporting is based on a snapshot date of 5 April 2024.
2. Ethnicity pay gap shows the difference in average pay between ethnic minorities, Asian, Black, Mixed, Other and White colleagues. This is different to equal pay that is ethnic minority and White colleagues receiving the same pay for work of equal value. Our reporting is based on a snapshot date of 5 April 2024 and 91% of colleagues that have shared their ethnicity with us.

Market Overview

Motor premium and claims inflation

The UK motor market[1] continued to be affected by challenging conditions, driven by the impact of elevated inflation. The average cost of motor cover was £622, 15% higher than 2023 although average premiums reduced during the year and ended 1.3% lower year on year in the fourth quarter. This is against a backdrop of total claims payouts that were 17% higher in 2024 compared to the previous year.

Claims inflation remained elevated in 2024, albeit lower than the levels seen in 2023 as inflationary pressures began to moderate. Repair cost inflation remained above long term averages driven by higher labour costs. The market observed a reduction in claims frequency during the year which is likely to reflect changes to driving patterns, car safety and cost of living pressures.

In February 2024, the Association of British Insurers ("**ABI**") published a 10-Point Roadmap to help combat the cost of motor cover. The Roadmap outlined ten actions that the industry, government or regulators could take, and areas where improvements could be made to address the affordability of motor insurance. The ABI believes the Government can help combat high claims costs by addressing the skills and capacity challenge in the vehicle repair sector, improving the UK's roads, and delivering its road safety strategy.

During the year, the Government announced a cross-government motor insurance taskforce, supported by industry experts, to help drive down the costs of car insurance.

The Government announced changes to the discount rate used by courts to decide how much insurer compensation personal injury claimants should receive as a lump sum. In September the discount rate for Scotland and Northern Ireland changed to 0.5% (previously minus 0.75%) and in January 2024, the discount rate in England and Wales changed to 0.5% (previously minus 0.25%).

The Group focused on maintaining margins throughout the year and growing its share of new business through the PCW channel. In December the Group launched its Direct Line brand on its first PCW, the channel where over 90% of customers buy their insurance.

Home premium and claims inflation

The UK household market[2] experienced strong premium inflation in 2024, likely driven by a combination of claims inflation and the impact of weather events.

The average price for a combined policy rose 16% to £395 which led to an increase in the volume of consumers shopping in the market, particularly in the first half of the year before prices softened in the second half of the year.

The market experienced a number of weather events in the year, particularly in the fourth quarter where, according to the ABI, claims for damage to homes from adverse weather reached £146 million.

Against this backdrop, the Group focused on maintaining margins whilst growing own brand new business sales year on year.

Climate change

A focus on climate remains, with particular emphasis placed on how firms are assessing and managing longer-term climate-related risks. Increased importance is also being given to the communication of plans that companies have in place to support the transition to a low-carbon economy. This includes the actions that are being taken to progress against emission reduction targets and net zero aims. Furthermore, we continue to expect an increase in regulatory focus on how firms are managing climate-related financial risks, as well as how this is reported, supported by developments in reporting frameworks and disclosure requirements.

The Group continues to respond to climate change, and we take our responsibilities seriously in our assessment of climate-related risks to our business. Our disclosure against the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") (see pages 58 to 71) sets out our strategic response to climate change and reflects continued action to further develop our understanding and management of the associated risks and opportunities. The disclosure reports on the progress we have made in the year against our carbon emissions reduction targets, which were approved by the Science Based Targets initiative ("**SBTi**") in 2022.

Notes:

1. Based on ABI Q4 motor premiums and claims tracker.
2. Based on ABI Q4 household premiums and claims tracker.

Group financial performance

	Notes	2024	2023	Change
Ongoing operations[1,2]				
In-force policies[1] (thousands)		**8,827**	9,339	(5.5%)
		FY 2024	FY 2023	Change
	Notes	**£m**	£m	£m
Ongoing operations[1,2]				
Gross written premium and associated fees[1]		**3,731.9**	2,977.6	25.3%
Net insurance revenue[1]		**2,857.1**	2,422.6	17.9%
Insurance service result		**104.6**	(212.0)	316.6
Net insurance margin[1]		**3.6%**	(8.7%)	12.3pts
Combined operating ratio[1]		**96.4%**	108.7%	12.3pts
Net insurance claims ratio[1]		**69.9%**	82.1%	12.2pts
Net acquisition costs ratio[1]		**6.3%**	6.8%	0.5pts
Net expense ratio[1]		**20.2%**	19.8%	(0.4pts)
Normalised net insurance margin[1]		**3.0%**	(10.0%)	13.0pts
Investment income		**200.3**	139.1	44.0%
Unwind of discounting of claims[1,3]		**(98.9)**	(116.5)	17.6
Other operating income and expenses before restructuring and one-off costs		**(1.0)**	(0.5)	(100.0%)
Ongoing operating profit/(loss)[1,2]		**205.0**	(189.9)	394.9
Current-year operating profit/(loss)[1]		**208.2**	(45.4)	253.6
Prior-year reserves development		**(3.2)**	(144.5)	141.3
Other investment movements[4]		**111.9**	98.9	13.1%
Restructuring and one-off costs		**(118.1)**	(59.5)	(98.5%)
Brokered commercial business, Non-core and Run-off		**39.7**	(1.5)	41.2
Other finance costs		**(15.4)**	(14.5)	(6.2%)
(Loss)/gain on disposal of business		**(4.7)**	443.9	(101.1%)
Profit before tax		**218.4**	277.4	(59.0)
Tax charge		**(55.8)**	(54.5)	(1.3)
Profit for the year attributable to the owners of the Company		**162.6**	222.9	(60.3)
Performance metrics				
Basic earnings per share (pence)	12	**11.2**	15.9	(4.7)
Diluted earnings per share (pence)	12	**11.1**	15.7	(4.6)
Operating earnings/(loss) per share (pence)[1,3]		**9.8**	(12.8)	22.6
Return on equity[1]	14	**7.0%**	10.6%	(3.6pts)
Operating return on tangible equity[1,3]		**10.0%**	(14.9%)	24.9pts
Investments metrics				
Investment income yield[1,3]		**4.1%**	3.5%	0.6pts
		2024	2023	Change
Capital and returns metrics				
Dividend per share – final (pence)		**5.0**	4.0	25.0%
Dividend per share – total ordinary (pence)		**7.0**	4.0	75.0%
Net asset value per share (pence)	13	**164.3**	158.0	4.0%
Tangible net asset value per share (pence)[1]		**104.7**	95.6	9.5%
Solvency capital ratio – post dividends[1,5,6]		**195%**	188%	7pts

Notes:

1. See glossary on pages 238 to 241 for definitions.
2. Ongoing operations – the Group's ongoing operations result excludes the results of the Brokered commercial business, that it sold to RSA Insurance Limited in 2023, and its Non-core businesses, announced at the Group's 2024 Capital Markets Day, and three run-off partnerships that the Group completed its exit from in H1 2024. Relevant prior-year data has been restated accordingly.
3. See appendix A – Alternative performance measures on pages 242 to 245 for reconciliation to financial statement line items.
4. Other investment movements relate to net fair value gains/(losses), the effect of the change in the yield curve and interest expense on funds withheld liabilities.
5. Estimates based on the Group's Solvency II partial internal model.
6. The full year 2023 solvency capital ratio has been re-presented as explained in the Capital analysis sub-section of the Group financial performance section in this report (previously reported in the Group's full year 2023 preliminary results and Annual Report and Accounts as being 197%).

2024 performance

Profit from ongoing operations increased by £395 million to £205 million driven by a turnaround in Motor earnings which increased by £427 million. Non-Motor delivered a profit of £98 million.

The Group has excluded the results of the Brokered commercial business, three run-off partnerships and its Other personal lines products from its ongoing results. Results relating to ongoing operations are referenced in Appendix B to the report and in the financial statements, note 2 (Segmental information) has also been amended to reflect the change. The insurance service result from ongoing operations was a profit of £105 million (FY 2023: £212 million loss) and for the Group, as a whole, it was a profit of £126 million (FY 2023: £227 million loss).

The Group profit before tax was £218 million, £59 million lower than prior year, which included £444 million from the sale of the Brokered commercial business in 2023.

In-force policies[1] and gross written premium and associated fees[1]

In-force policies from ongoing operations were 8.8 million, 5.5% lower than at the end of 2023. The largest reduction was in Motor where own brand policies were 13.2% lower as we focused on disciplined underwriting which more than offset growth in the Motability partnership. Non-Motor in-force policies were 3.1% lower than the end of 2023, mainly due to Rescue. Commercial Direct grew 0.8% and Home own brands grew 1.3%.

Gross written premiums and associated fees for ongoing operations grew by 25.3% to £3,732 million driven by strong growth in Motor and Non-Motor. The 31.8% growth in Motor was supported by the Motability partnership, where we had a full year of premium in 2024 compared to only seven months during 2023, and higher own brand average premiums. Non-Motor achieved growth of 11.0%, ahead of the CAGR target of 7% to 10%, due to double-digit premium growth in Home and 8.8% growth in Commercial Direct.

Insurance service result

The net insurance margin for ongoing operations was 3.6%, 12.3pts better than 2023, primarily due to a significant improvement in Motor, particularly in the second half of 2024 following repricing action. The Non-Motor net insurance margin remained strong at 8.9%.

The net insurance claims ratio for ongoing operations was 69.9%, an improvement of 12.2pts compared with 2023 due to significant improvement in both the current year attritional claims ratio and the prior year reserves development ratio. The changes to the Ogden discount rate for large bodily injury claims resulted in a £41 million reserve release for the Group, of which £36 million related to ongoing operations.

The current year attritional claims ratio improved by 6.7pts as the pricing actions taken in Motor began to earn through while the prior year reserves development ratio improved by 5.9pts.

Weather event related claims in Non-Motor were £43 million (FY 2023: £27 million). Our assumption for the full year 2024 was £62 million. In addition, the Group experienced approximately £10 million of non-event weather above expectation in the first half of 2024.

The prior-year reserves development ratio was an immaterial strengthening of 0.1% (FY 2023: 6.0% strengthening). Motor saw positive development in prior year claims, following the changes to the Ogden discount rate for large bodily injury claims, which was more than offset by prior year strengthening in Non-Motor.

The net acquisition costs ratio for ongoing operations improved by 0.5pts to 6.3% as higher acquisition costs were more than offset by higher premiums. The net expense ratio for ongoing operations was broadly stable at 20.2% (FY 2023: 19.8%) as the full year of Motability costs alongside higher depreciation and amortisation charges and general inflation were largely offset by premium growth.

Expenses in insurance service result

Operating expenses for ongoing operations were £577 million, an increase of £97 million compared with FY 2023. Controllable costs increased by £51m in line with growth from Motability and expected inflation, resulting in a broadly stable net expense ratio of 20.2% (2023: 19.8%).

	FY 2024 £m	FY 2023 £m
Commission expenses	**(121.2)**	(104.8)
Marketing	**(58.1)**	(61.1)
Acquisition expenses	**(179.3)**	(165.9)
Staff costs[7]	**(225.2)**	(185.1)
IT and other operating expenses[7,8]	**(104.4)**	(93.2)
Insurance levies	**(104.1)**	(79.1)
Depreciation, amortisation and impairment of intangible and fixed assets[9]	**(143.6)**	(122.9)
Operating expenses	**(577.3)**	(480.3)
Total expenses – ongoing operations[1,2]	**(756.6)**	(646.2)
Total expenses – Non-core and Run-off[1]	**(45.2)**	(54.2)
Total expenses – Brokered commercial business[1]	**(105.3)**	(207.5)
Total expenses	**(907.1)**	(907.9)
Net acquisition costs ratio[1] – ongoing operations	**6.3%**	6.8%
Net acquisition costs ratio[1] – total Group	**7.5%**	9.3%
Net expense ratio[1] – ongoing operations	**20.2%**	19.8%
Net expense ratio[1] – total Group	**21.6%**	19.7%

Brokered commercial business[1,2]

The Group has excluded the results of the Brokered commercial business from its ongoing results and has restated all relevant comparatives across this review. The Group agreed the transfer of the Group's Brokered commercial lines insurance business and associated partnerships to Royal & Sun Alliance Insurance Limited with effect from 1 October 2023 through a combination of quota share reinsurance and a form of renewal rights transfer. As a result, the economic effect of the Brokered commercial insurance business moved to Royal & Sun Alliance Insurance Limited and the back book of policies has remained with the Group.

For 2024, gross written premium and associated fees were £437 million (2023: £666 million). The operating profit relating to the Brokered commercial business in 2024 was £36 million (2023: £28 million). The formal separation and operational transfers started in the second quarter of 2024, with subsequent transfers of outstanding elements of the overall Brokered commercial insurance business following.

Non-core and Run-off[1,2]

The Group has excluded the results of Other personal lines products, including three partnerships that were previously disclosed as being exited, from its ongoing operations and has restated all relevant comparatives across this review. Other personal lines is made up of Pet, Travel, Creditor and Select, our insurance targeted at mid- to high-net worth customers. Pet is the largest product within Other personal lines. As announced at the Group's Capital Markets Day in July 2024, the decision was taken to pause investment in these products. Other personal lines represented around £130 million of gross written premium and associated fees in 2023.

Three partnerships in Travel and Rescue have now been exited and will reduce the Group's exposure to low margin insurance products packaged with bank accounts so it can redeploy capital to segments with higher return opportunities. The two Travel partnerships were with NatWest Group and Nationwide Building Society and expired during the first half of 2024, although upgrades on existing Nationwide Building Society policies will continue to be underwritten by the Group until April 2025. The Rescue partnership was with NatWest Group and expired during the second half of 2022.

Gross written premium and associated fees were £178 million (2023: £279 million). The operating profit relating to Non-core and Run-off was £4 million (2023: £29 million loss).

Investment result and unwind of discount rate[1]

Net investment income from ongoing operations increased to £200 million (FY 2023: £139 million) primarily driven by interest rates remaining high following an environment of global interest rates rising during 2023, and a phased reinvestment back into investment grade credit more aligned with the Group's benchmark weighting, resulting in an investment income yield of 4.1%.

	FY 2024 £m	FY 2023 £m
Investment income	207.5	146.3
Investment fees	(7.2)	(7.2)
Net investment income	**200.3**	139.1
Unwind of discounting of claims[1,3]	(98.9)	(116.5)
Finance income and expenses in operating profit	**101.4**	22.6

	FY 2024	FY 2023
Investment income yield (total Group)[1]	4.1%	3.5%

Finance income and expenses in operating profit also benefited from a decrease in expenses related to the unwind of the discounting of claims.

Reconciliation of operating profit/(loss) to basic earnings per share

	FY 2024 £m	FY 2023 £m
Motor	107.0	(319.6)
Non-Motor	98.0	129.7
Operating profit/(loss)[1] – ongoing operations[1]	**205.0**	(189.9)
Operating profit[1] - Brokered commercial business[1]	36.2	27.6
Operating loss[1] – Non-core and Run-offl	3.5	(29.1)
Operating profit/(loss)[1] – total Group	**244.7**	(191.4)
Restructuring and one-off costs[1]	(118.1)	(59.5)
Net fair value gains	37.1	124.4
Net insurance finance income – effect of change in yield curve[1]	89.2	(25.5)
Interest expense on funds withheld liabilities	(14.4)	–
(Loss)/gain on disposal of business	(4.7)	443.9
Other finance costs	(15.4)	(14.5)
Tax charge	(55.8)	(54.5)
Profit for the year attributable to the owners of the Company	**162.6**	222.9
Basic earnings per share (pence)	**11.2**	15.9
Operating return on tangible equity[1,3]	**10.0%**	(14.9%)

Restructuring and one-off costs

The Group incurred £118 million of restructuring and one-off costs during 2024 (2023: £60 million), which were a result of several items including cost out and control initiatives, non-cash impairments, as well as work carried out in relation to the takeover approach from Ageas NV and the offer from Aviva plc.

Net fair value gains[1,2]

Net fair value gains in the period were £37 million (2023: £124 million), reflecting a further tightening of credit spreads and interest rate movements year-on-year and the pull to par on the Group's credit holdings.

Net insurance finance income – effect of change in yield curve

Net insurance finance income of £89 million (2023: £26 million expense) reflects the gross and reinsurance effect of changes in the yield curve and the ASHE index on the discounting of previously recognised PPO claims.

Other finance costs

Other finance costs were £15 million (2023: £15 million) and relate to interest payable on the Group's £260 million (nominal) subordinated debt due in 2032.

Profit before tax

Profit before tax reduced by £59 million to £218 million (2023: £277 million) primarily due to the effect of the sale of the Brokered commercial business in 2023 which generated £444 million.

Effective corporation tax rate

The Effective Tax Rate ("**ETR**") for 2024 was 25.5% (2023: 19.6%), which was slightly higher than the standard UK corporation tax rate of 25.0% (2023: 23.5%). This was driven primarily by disallowable expenses, partly offset by tax relief for coupon payments on the Group's Tier 1 notes, which are accounted for as a distribution, together with a prior-year credit. This is higher than the effective tax rate for 2023 which reflected the offset of capital losses brought forward which had not previously been recognised in deferred tax.

Operating return on tangible equity[1,3]

The operating return on tangible equity increased by 24.9pts to 10.0% (2023: minus 14.9%) due primarily to the increase in the Group's operating profit from ongoing operations.

Earnings per share

The basic earnings per share in 2024 was 11.2 pence (2023: 15.9 pence). Diluted earnings per share in 2024 was 11.1 pence (2023: 15.7 pence), mainly reflecting a reduction in the Group's post-tax profit for the calculation of earnings per share in 2024 as improvements to operating profit were offset by the non-repeat of the gain on the sale of the Group's Brokered commercial business experienced in 2023. Operating earnings per share was 9.8 pence (2023: 12.8 pence loss).

The financial performance of the Group is discussed in detail in this and the Operating review sections. The calculation of earnings per share is presented in note 12. The calculation of operating earnings per share is presented in Appendix B.

Notes:

1. See glossary on pages 238 to 241 for definitions
2. Ongoing operations – the Group's ongoing operations result excludes the results of the Brokered commercial business, that it sold to RSA Insurance Limited in 2023, and its Non-core businesses, announced at the Group's 2024 Capital Markets Day, and three run-off partnerships that the Group completed its exit from in H1 2024. Relevant prior-year data has been restated accordingly. See glossary on pages 238 to 241 for definitions and Appendix B – Management view statements of profit and loss, expenses, average premiums, gross written premium and associated fees and in-force policies on pages Appendix B – Management view statements of profit and loss, expenses, average premiums, gross written premium and associated fees and in-force policies on pages 246 to 253.
3. See appendix A – Alternative performance measures on pages 242 to 245 of insurance finance costs, operating return on tangible equity, operating earnings/(loss) per share and investment income yield.
4. Other investment movements relate to net fair value gains/(losses), the effect of the change in the yield curve and interest expense on funds withheld liabilities.
5. Estimates based on the Group’s Solvency II partial internal model.
6. The full year 2023 solvency capital ratio has been re-presented as explained in the Chief Financial Officer review of this report (previously reported in the Group's full year 2023 preliminary results and Annual Report and Accounts as being 197%).
7. Staff costs and other operating expenses attributable to claims handling activities are allocated to the cost of insurance claims.
8. IT and other operating expenses include professional fees and property costs.
9. Includes right-of-use ("**ROU**") assets and property, plant and equipment. For the year ended 31 December 2024, there were no impairment charges which relate solely to own occupied freehold property (2023: no impairments).

Cash flow

	Note	2024 £m	2023 £m
Net cash (used in)/generated from operating activities		**(364.5)**	404.9
Of which:			
Operating cash flows before movements in working capital		**137.2**	(337.0)
Movements in working capital		**(168.2)**	469.0
Tax received/(paid)		**13.9**	(30.9)
Cash flow hedges		**(0.3)**	(0.6)
Cash (used in)/generated from investment of insurance assets		**(347.1)**	304.4
Net cash (used in)/generated from investing activities		**(106.5)**	398.3
Net cash used in financing activities		**(129.6)**	(51.8)
Net (decrease)/increase in cash and cash equivalents	25	**(600.6)**	751.4
Cash and cash equivalents at the beginning of the year		**1,689.8**	938.4
Cash and cash equivalents at the end of the year	25	**1,089.2**	1,689.8

The cash that the Group used in operating activities (£365 million), investing activities (£107 million) and financing activities (£130 million) resulted in a net decrease in cash and cash equivalents of £601 million to £1,089 million (2023: £751 million increase to £1,690 million).

Net cash used in operating activities of £365 million is largely as a result of cash used in investment of insurance assets of £347 million (2023: £304 million cash generated). The Group has considerable assets under management and during the period purchases of debt securities held at fair value through profit or loss ("**FVTPL**") exceeded disposals and maturities. The Group had an operating cash inflow before movements in working capital of £137 million (2023: outflow £337 million), due to the improvement in the insurance service result. After taking into account movements in working capital, taxes and cash flow hedges, the Group's cash outflow before investment of insurance assets was £31 million (2023: inflow £132 million).

Net cash used in investing activities of £107 million primarily reflected the Group's continuing investment in its major IT programmes (2024: £93 million, 2023: £124 million) while the net cash generated from investing activities in the period ended 31 December 2023 primarily reflected net proceeds from the sale of the Brokered commercial business of £470 million.

Net cash used in financing activities of £130 million included £95 million in dividends and Tier 1 capital coupon payments (2023: £17 million in Tier 1 capital coupon payments) and £13 million (2023: £11 million) in lease principal payments.

The levels of cash and other highly liquid sources of funding that the Group holds to cover its claims and other cash flow obligations are continually monitored with the objective of ensuring that the levels remain within the Group's risk appetite.

Balance sheet management

Capital management and dividend policy

The Group aims to manage its capital efficiently and generate long-term sustainable value for shareholders, while balancing operational, regulatory, rating agency and policyholder requirements.

The Group aims to pay a regular dividend of around 60% of operating profit after tax for ongoing operations[1].

Where the Board believes that the Group has capital which is expected to be surplus to the Group's requirements for a prolonged period, it intends to return any surplus to shareholders.

The Group has a solvency risk appetite of 140% of the Group's solvency capital requirement ("**SCR**"). In normal circumstances, the Board expects that a solvency coverage ratio of around 180% is appropriate and will take this into account when considering the potential for additional returns, alongside expectations for future capital requirements and other relevant factors. In the short-term, the Group expects to maintain a solvency coverage ratio above this level.

In the normal course of events the Board will consider whether or not it is appropriate to distribute any surplus capital to shareholders once a year, alongside the full year results.

The Group expects that one third of the annual dividend will generally be paid in the third quarter as an interim dividend, with the remaining regular dividend paid as a final dividend in the second quarter of the following year. The Company may consider a special dividend and/or a repurchase of its own shares to distribute surplus capital to shareholders.

The Board may revise the dividend policy from time to time.

The Board has reviewed the progress the Group has made in turning around the business and, based on the Group's strong solvency coverage ratio and underlying capital generation over the last 12 months, has concluded it is appropriate to recommend to shareholders at the annual general meeting a final dividend of 5.0 pence per share (£65 million).

Subject to shareholders approving the dividend at the annual general meeting on 14 May 2025, the dividend is scheduled to be paid on 19 May 2025 to shareholders on the register on 4 April 2025. The ex-dividend date will be 3 April 2025.

Note:

1. Operating profit from ongoing operations after finance costs, coupon payments in respect of Tier 1 notes and tax at the standard rate.

Capital analysis

The Group is regulated under Solvency II requirements, as modified by the PRA's 2024 reforms, by the PRA on both a Group basis and for the Group's principal underwriter, U K Insurance Limited. In its results, the Group has estimated its Solvency II own funds, SCR and solvency capital ratio as at 31 December 2024.

Capital position[1]

At 31 December 2024, the Group held a Solvency II capital surplus of £1.11 billion above its regulatory capital requirements, which was equivalent to an estimated solvency capital ratio post dividends of 195%.

At 31 December	2024	2023
Solvency capital requirement (£ billion)	1.16	1.13
Capital surplus above solvency capital requirement (£ billion)	1.11	1.00
Solvency capital ratio pre-final dividend[1]	200%	192%
Solvency capital ratio post-dividends[1]	195%	188%

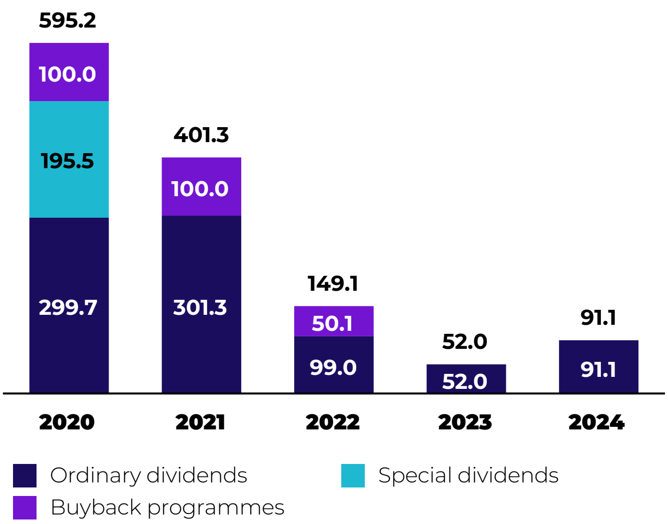
Note:

1. The full year 2023 solvency capital ratio has been re-presented as explained below (the post-dividend ratio previously reported in the Group's full year 2023 preliminary results and Annual Report and Accounts as being 197%).

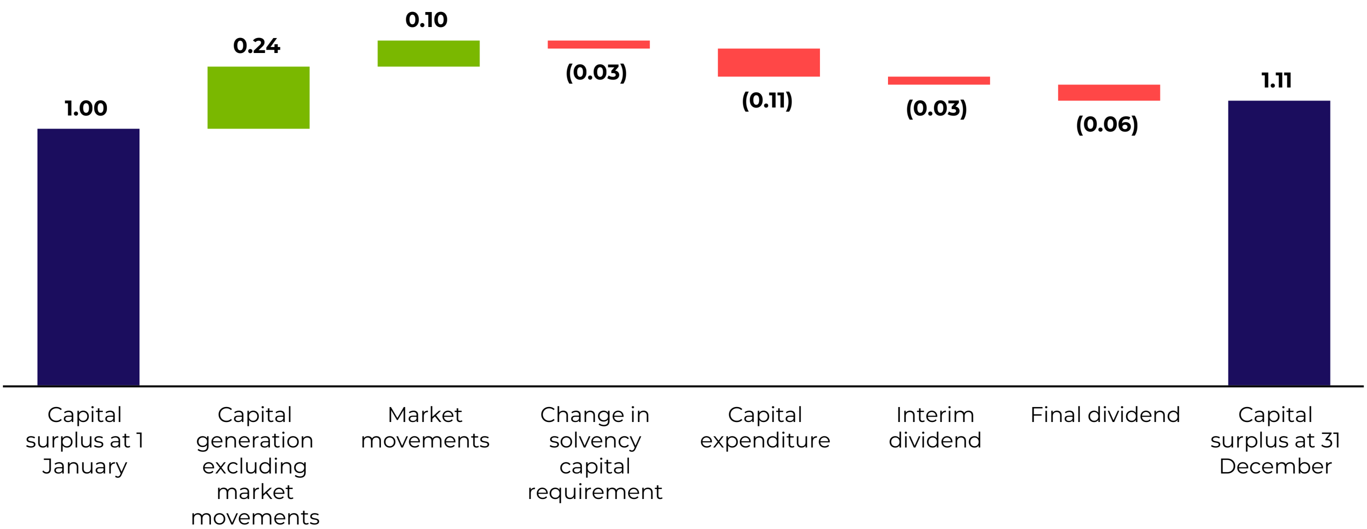
During the Group's half year results preparation, a miscalculation was identified within the Group's audited Solvency II own funds for the year ended 2023. This miscalculation arose in the Solvency II treatment of the whole account quota share reinsurance arrangement (incepted 1 January 2023), and in particular the translation of the reinsurance debtors between IFRS and Solvency II own funds. This miscalculation had no impact on the IFRS figures.

Correcting for the miscalculation, the solvency capital ratio (post-dividend) at year end 2023 was 188%, which was above the Group's risk appetite range of 140% to 180% (the previously reported solvency capital ratio was 197%).

Capital Returns (£million)



Movement in capital surplus[1] (£bn)



Movement in capital surplus[1]

	2024 £bn	2023 £bn
Capital surplus at 1 January	**1.00**	0.57
Capital generation excluding market movements	**0.24**	0.46
Market movements	**0.10**	0.06
Capital generation	**0.34**	0.52
Change in solvency capital requirement	**(0.03)**	0.08
Surplus generation	**0.31**	0.60
Capital expenditure	**(0.11)**	(0.15)
Interim dividend	**(0.03)**	–
Final dividend	**(0.06)**	(0.05)
Decrease in ineligible Tier 3 capital[2]	**–**	0.03
Net surplus movement	**0.11**	0.43
Capital surplus at 31 December	**1.11**	1.00

Notes:

1. The full year 2023 movement in capital surplus has been re-presented as explained in the Capital position section of this report.
2. At 31 December 2024 and 31 December 2023 no ineligible Tier 3 capital arose as the Group's available Tier 3 capital was under the amount of Tier 3 capital permitted under the Solvency II regulations (15% of the Group's SCR). In FY 2023 there was a £0.03 billion reduction in ineligible Tier 3 capital as ineligible Tier 3 capital reported at FY 2023 reduced to £nil.

During 2024, the Group generated £0.34 billion of Solvency II capital from a combination of operating earnings, one-off benefits from partnerships and market movements. After a change to the solvency capital requirement of £0.03 billion, capital expenditure of £0.11 billion and dividends of £0.09 billion, the net surplus for the year increased by £0.11 billion to £1.11 billion.

Change in solvency capital requirement

	2024 £bn
Solvency capital requirement at 1 January	**1.13**
Parameter changes	**–**
Exposure and model changes	**0.03**
Solvency capital requirement at 31 December	**1.16**

During 2024, the Group's SCR increased by £0.03 billion to £1.16 billion primarily due to updated exposure positions.

Scenario and sensitivity analysis[1]

The following table shows the impact on the Group's estimated solvency capital ratio in the event of the following scenarios as at 31 December 2024. The impacts on the Group's solvency capital ratio arise from movements in both the Group's SCR and own funds.

	Impact on solvency capital ratio[1]	
At 31 December	**2024**	2023
Deterioration of small bodily injury motor claims equivalent to that experienced in 2008/09	**(5pts)**	(5pts)
One-off catastrophe loss equivalent to the 1990 storm "Daria"	**(8pts)**	(9pts)
One-off catastrophe loss based on extensive flooding of the River Thames	**(7pts)**	(7pts)
100 bps increase in PPO real discount rate[2]	**(11pts)**	(15pts)
100 bps increase in credit spreads[3,4]	**(6pts)**	(6pts)
100 bps decrease in interest rates with no change in the PPO discount rate[3]	**(4pts)**	(6pts)

Notes:

1. Sensitivities are calculated on the assumption that full tax benefits can be realised.
2. The periodic payment order ("**PPO**") real discount rate is an actuarial judgement which is based on a range of factors including the economic outlook for wage inflation relative to the PRA discount rate curve. The sensitivity was previously labelled, "Increase in Solvency II inflation assumption for PPOs by 100 basis points". The underlying sensitivity and historic results remain the same.
3. The sensitivity has been updated to include assets that are accounted for at amortised cost. Previously only assets that were treated as FVTPL were included. The comparative period has been restated on a consistent basis.
4. Assumes no change to the SCR.

Limitations of sensitivity analysis

- Sensitivities are calculated by applying an instantaneous change to specific assumptions whilst leaving others unchanged.
- In reality, changes in the environment occur over time and are often interrelated; the sensitivities provided do not capture these interactions.
- The impact of a change in assumptions is often non-linear and users of this information should not assume that applying a linear calculation methodology will provide accurate results.
- The sensitivities are based on a balance sheet at a specific point in time. The result of a sensitivity analysis will also change due to business performance and any active management of assets and liabilities.
- Movements in economic variables are unlikely to follow the nature of a parallel shift as described in many of the sensitivities.
- In addition, the sensitivities assume economic variables move in a similar manner across different currencies and countries, which is unlikely to be true in reality.
- Our specific portfolio of assets and liabilities will not match the composition of market indices exactly and using such indices to estimate an impact on the balance sheet should be used with caution.

Own funds

The following table splits the Group's eligible own funds by tier on a Solvency II basis.

At 31 December	**2024 £bn**	2023 £bn
Tier 1 capital before foreseeable distributions	**1.71**	1.51
Foreseeable dividend	**(0.06)**	(0.05)
Tier 1 capital – unrestricted	**1.65**	1.46
Tier 1 capital – restricted	**0.32**	0.32
Eligible Tier 1 capital	**1.97**	1.78
Tier 2 capital – subordinated debt	**0.21**	0.22
Tier 3 capital – deferred tax	**0.09**	0.13
Total eligible own funds	**2.27**	2.13

Note:

1. Full year 2023 eligible own funds have been re-presented as explained in the Capital position section of this report.

During 2024, the Group's eligible own funds increased from £2.13 billion to £2.27 billion. Eligible Tier 1 capital after foreseeable distributions represents 87% of own funds and 170% of the estimated SCR. Tier 2 capital relates to the Group's £0.21 billion subordinated debt with no ineligible Tier 1 capital. The maximum amount of Restricted Tier 1 capital permitted as a proportion of total Tier 1 capital under the Solvency II regulations is 20%. Restricted Tier 1 capital relates solely to the Tier 1 notes issued in 2017.

The amount of Tier 2 and Tier 3 capital permitted under the Solvency II regulations is 50% of the Group's SCR and the amount of Tier 3 alone is 15% of the Group's SCR. The Group has no ineligible Tier 3 own funds.

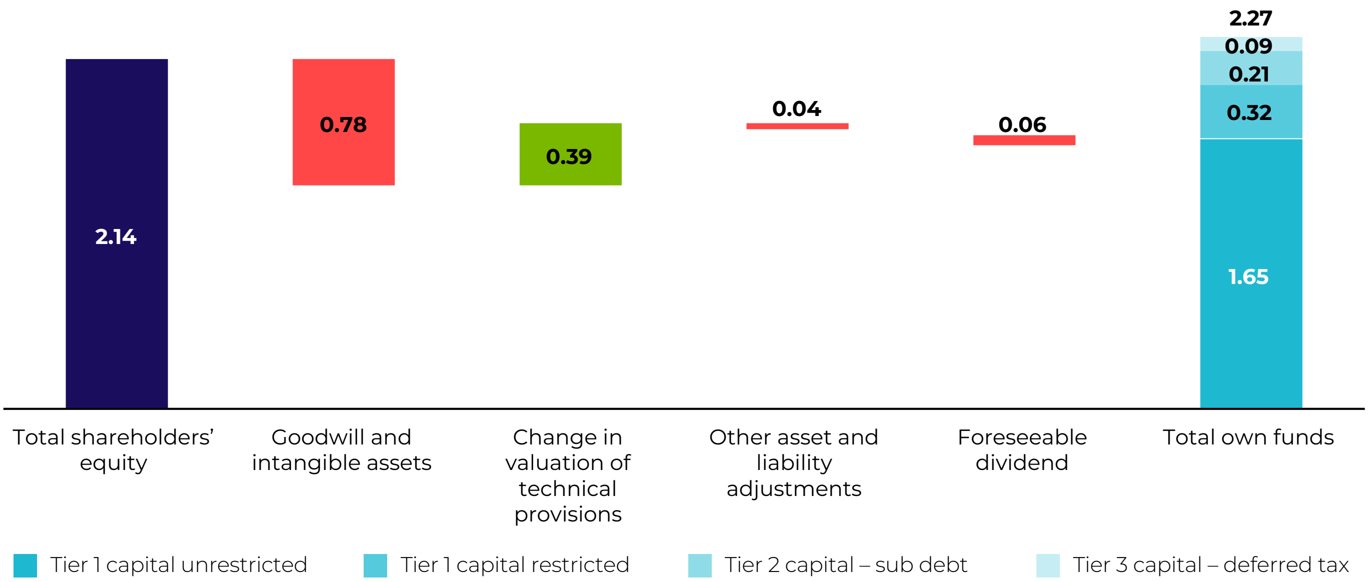
Reconciliation of IFRS shareholders' equity to Solvency II eligible own funds

At 31 December	**2024 £bn**	2023 £bn
Total shareholders' equity	**2.14**	2.06
Goodwill and intangible assets	**(0.78)**	(0.82)
Change in valuation of technical provisions	**0.39**	0.34
Other asset and liability adjustments	**(0.04)**	(0.07)
Foreseeable dividend	**(0.06)**	(0.05)
Tier 1 capital – unrestricted	**1.65**	1.46
Tier 1 capital – restricted	**0.32**	0.32
Eligible Tier 1 capital	**1.97**	1.78
Tier 2 capital – Tier 2 subordinated debt	**0.21**	0.22
Tier 3 capital – deferred tax	**0.09**	0.13
Total eligible own funds	**2.27**	2.13

Notes:

1. Full year 2023 eligible own funds have been re-presented as explained in the Capital position section of this report.
2. At 31 December 2024 and 31 December 2023 no ineligible Tier 3 capital arose as the Group's available Tier 3 capital was under the amount of Tier 3 capital permitted under the Solvency II regulations (15% of the Group's SCR).

Reconciliation of IFRS shareholders' equity to Solvency II eligible own funds (£bn)



Investment portfolio

Our investment strategy aims to deliver several objectives, which are summarised below:

- to ensure there is sufficient liquidity available within the investment portfolio to meet stressed liquidity scenarios;
- to match PPOs and non-PPOs liabilities in an optimal manner; and
- to deliver a suitable risk-adjusted investment return commensurate with our risk appetite.

The strategic asset allocation has continued to be regularly reviewed during 2024. Whilst the core outcome of the review reinforced investment grade credit as the largest asset class within the portfolio, it suggested some modest changes to other areas of the portfolio. Following the review, a phased approach during the year was adopted in reinvesting back into investment grade credit securities and reducing the Group's overweight position in cash. To assist with the matching exercise of the Group's PPO liabilities, effective from Q4, the Group diversified further by acquiring some index-linked sovereign.

Asset and liability management

The following table summarises the Group's high-level approach to asset and liability management.

Liabilities	Assets	Characteristics
More than 10 years, for example PPOs	Property and infrastructure debt and index-linked sovereign	Inflation linked or floating
Short and medium term - all other claims	Investment-grade credit	Fixed - key rate duration matched
Tier 1 equity	Investment-grade credit	Fixed
Tier 2 sub-debt	Commercial real estate loans and cash	Floating
Tier 2 sub-debt fixed	Investment-grade credit and cash	Fixed or floating
Surplus - tangible equity	Investment-grade credit, short-term high yield, cash and government debt securities	Fixed or floating

Asset allocation and benchmarks – U K Insurance Limited

The current strategic benchmarks for U K Insurance Limited are detailed in the following table:

	Benchmark Holding 2024	Actual Holding 2024	Benchmark Holding 2023	Actual Holding 2023
Investment-grade credit	**61.0%**	**55.7%**	60.0%	43.8%
High yield	**6.0%**	**5.9%**	6.0%	5.4%
Investment-grade private placements	**0.0%**	**1.1%**	0.0%	1.4%
Credit	**67.0%**	**62.7%**	66.0%	50.6%
Sovereign	**13.0%**	**14.4%**	10.0%	13.0%
Total debt securities	**80.0%**	**77.1%**	76.0%	63.6%
Infrastructure debt	**4.0%**	**3.7%**	4.0%	4.1%
Commercial real estate loans	**4.0%**	**2.6%**	6.5%	2.8%
Other loans	**0.0%**	**0.1%**	0.0%	0.1%
Cash and cash equivalents	**7.0%**	**10.9%**	8.0%	24.1%
Investment property	**5.0%**	**5.6%**	5.5%	5.3%
Total investment holdings	**100.0%**	**100.0%**	100.0%	100.0%

With the Group ending 2023 in a stronger capital position, a phased approach has been adopted throughout 2024 in reducing the overweight holding in cash and reinvesting back into investment grade credit.

Investment holdings and yields[1]

	2024			2023		
	Holding (£m)	Income (£m)	Gross yield (%)	Holding (£m)	Income (£m)	Gross yield (%)
Investment-grade credit[2]	**2,869.6**	**79.5**	**3.1%**	2,288.1	51.1	2.2%
High yield	**302.7**	**20.0**	**6.8%**	281.2	16.5	5.9%
Investment-grade private placements	**55.7**	**1.8**	**2.9%**	70.6	2.8	3.3%
Credit	**3,228.0**	**101.3**	**3.5%**	2,639.9	70.4	2.6%
Sovereign[2]	**746.0**	**28.5**	**4.0%**	681.2	8.5	1.4%
Total debt securities	**3,974.0**	**129.8**	**3.6%**	3,321.1	78.9	2.4%
Infrastructure debt	**188.7**	**14.7**	**7.3%**	214.2	14.8	6.6%
Commercial real estate loans	**135.5**	**10.0**	**7.1%**	145.9	12.9	7.5%
Other loans	**5.4**	**0.1**	**2.1%**	3.1	0.0	0.4%
Cash and cash equivalents[3]	**791.1**	**58.2**	**5.2%**	1,448.0	65.2	5.5%
Investment property	**287.6**	**17.4**	**6.1%**	277.1	16.1	5.8%
Equity investments[4]	**20.1**	**0.0**	**0.0%**	19.7	0.0	0.0%
Investment fees	**–**	**(8.8)**	**–**	–	(9.3)	–
Total assets under management	**5,402.4**	**221.4**	**4.1%**	5,429.1	178.6	3.5%

Notes:

1. Excludes £298.1 million (2023: £241.8 million) which is invested within money market funds under the 100% quota share reinsurance treaty for the Brokered commercial business, which is operated on a funds withheld basis and is retained as security against the reinsurer's obligations.
2. Asset allocation at 31 December 2024 includes investment portfolio derivatives, which have a mark-to-market liability value of £19.6 million which is split as assets of £19.6 million included in investment grade credit and of £nil included in sovereign debt (31 December 2023: mark-to-market asset value of £12.0 million and £0.4 million liability respectively). This excludes non-investment derivatives that have been used to hedge operational cash flows.
3. Net of bank overdrafts: includes cash at bank and in hand and money market funds.
4. Equity investments consist of quoted shares and insurtech-focused equity funds. The insurtech-focused equity funds are valued based on external valuation reports received from a third-party fund manager.

At 31 December 2024, total assets under management of £5,402 million were 0.5% higher than at the start of the year. Total debt securities were £3,974 million (31 December 2023: £3,321 million), of which 2.2% were rated as 'AAA' and a further 63.1% were rated as 'AA' or 'A'. The average duration at 31 December 2024 of total debt securities was 2.5 years (31 December 2023: 2.1 years).

At 31 December 2024, total unrealised losses on investments held at FVTPL were £90 million (31 December 2023: £137 million unrealised losses).

	Note	FY 2024 £m	FY 2023 £m
Investment income		**207.5**	146.3
Investment fees		**(7.2)**	(7.2)
Net investment income in operating profit – ongoing operations		**200.3**	139.1
Net investment income – Brokered commercial business		**33.6**	35.2
Net investment income – Non-core and Run-off		**1.3**	4.3
Net investment income – total group	4	**235.2**	178.6
Net FV gains	6	**37.1**	124.4
Total investment income recognised through the statement of profit or loss	6	**272.3**	303.0

Net investment income in operating profit for ongoing operations increased to £200 million (2023: £139 million) primarily driven by interest rates remaining high following an environment of global interest rates rising during the first half of 2023, and a phased reinvestment back into investment grade credit more aligned with the Group's benchmark weighting.

Fair value gains were £37 million (2023: £124 million), with a tightening of credit spreads and interest rates accounting for the majority of the movement.

Net asset value

	Note	2024 £m	2023 £m
Net assets	13	**2,137.9**	2,058.2
Goodwill and other intangible assets	13	**(776.3)**	(818.6)
Tangible net assets	13	**1,361.6**	1,239.6
Closing number of Ordinary Shares (millions)	13	**1,301.0**	1,297.7
Net asset value per share (pence)	13	**164.3**	158.6
Tangible net asset value per share (pence)[1]	13	**104.7**	95.5

Note:

1. See glossary on pages 238 to 241 for definitions and Appendix A - Alternative performance measures on pages 242 to 245.

Net assets at 31 December 2024 increased by £80 million to £2,138 million (31 December 2023: £2,058 million) and a reduction in own shares held by the Group, increasing the closing number of shares, resulting in tangible net assets per share increasing to 104.7 pence (31 December 2023: 95.5 pence).

Leverage

The Group's financial leverage reduced slightly to 22.1% (2023: 22.7%).

	2024 £m	2023 £m
Shareholders' equity	**2,137.9**	2,058.2
Tier 1 notes	**346.5**	346.5
Financial debt – subordinated debt	**259.1**	258.8
Total capital employed	**2,743.5**	2,663.5
Financial leverage ratio[1]	**22.1%**	22.7%

Note:

1. Total IFRS financial debt and Tier 1 notes as a percentage of total IFRS capital employed.

Credit ratings

Moody's Investors Service provides insurance financial-strength ratings for U K Insurance Limited, our principal underwriter. Moody's rate U K Insurance Limited as 'A2' for insurance financial strength (strong) and has been put on review for potential upgrade.

Reserving

We make provision for the full cost of outstanding claims from the general insurance business at the statement of financial position date, including claims estimated to have been incurred but not yet reported at that date and associated claims handling costs. We consider the class of business, the length of time to notify a claim, the validity of the claim against a policy, and the claim value. Claims reserves could settle across a range of outcomes, and settlement certainty increases over time. However, for bodily injury claims the uncertainty is greater due to the length of time taken to settle these claims. The possibility of annuity payments for injured parties also increases this uncertainty.

The liability for incurred claims ("**LIC**") reserves are the combination of best estimate of liabilities ("**BEL**") and a risk adjustment, which is set around the 75th percentile on an ultimate basis and provides a margin on top of the BEL reflecting the uncertainty on a best estimate basis. The BEL is set on a discounted basis and includes an allowance for direct and indirect claims handling expenses, as well as events not in data ("**ENIDs**"), set by reference to various actuarial scenario assessments. ENIDs also consider other short- and long-term risks not reflected in the actuarial inputs, as well as the Corporate Actuarial Function's view on the uncertainties in relation to the BEL.

The most common method of settling bodily injury claims is by a lump sum. When this includes an element of indemnity for recurring costs, such as loss of earnings or ongoing medical care, the settlement calculations apply the statutory discount rate (known as the Ogden discount rate) to reflect the fact that payment is made on a one-off basis rather than periodically over time. The current Ogden discount rate is 0.5% for England and Wales and its equivalent is also 0.5% in Scotland and Northern Ireland.

The Ogden discount rate for England and Wales increased from minus 0.25% on 11 January 2025. The bodily injury discount rate increased in Scotland and Northern Ireland on 24 September 2024 from minus 0.75% and minus 1.5%, respectively. The impact of potential future changes in the discount rate is shown in the sensitivity table below. Since 2021, we have reduced the level of Motor reinsurance purchased, resulting in higher net reserves for accident years 2021 to 2024.

If the claimant prefers, large bodily injury claims can be settled using a PPO. This is an alternative way to provide an indemnity for recurring costs, making regular payments, usually for the rest of the claimant's life. As it is likely to take time to establish whether a claimant will prefer a PPO or a lump sum, until a settlement method is agreed we make assumptions about the likelihood that claimants will opt for a PPO. This is known as the PPO propensity.

At 31 December 2024, the real discount rate for PPOs is 1.5% (2023: 0.7%), the combination of cash flow weighted inflation and discounting of 3.7% (2023: 3.9%), which allows for increased short-term ASHE 6115 inflation of 6.5% over the next 12 months, followed by a number of years of heightened inflation before reverting to a long term assumption of 3.5%, and a yield curve based discount rate of 5.2% (2023: 4.6%).

The assessment of claims inflation, and the underlying drivers of claims inflation, remains a key consideration in deriving the reserves. Claims inflation is correlated with price inflation but there are several individual factors that are considered in addition, for example the salary of care workers, the price of used cars, judicial costs and repair costs. A range of general and specific scenarios for excess inflation has been considered in the reserving process.

The Group's prior-year reserves development (excluding restructuring and one-off costs) in 2024 was a reserve release of £5 million (2023: £124 million), driven by reserve releases in Motor and Non-core and Run-off, partially offset by reserve strengthening in Non-Motor and Brokered commercial.

Net liability for incurred claims

	31 Dec 2024 Estimate of present value cash flows £m	31 Dec 2024 Risk adjustment £m	**31 Dec 2024 Total £m**	31 Dec 2023 Estimate of present value cash flows £m	31 Dec 2023 Risk adjustment £m	**31 Dec 2023 Total £m**
Motor	**(1,661.8)**	**(77.8)**	**(1,739.6)**	(1,634.9)	(79.9)	(1,714.8)
Home	**(488.3)**	**(20.9)**	**(509.2)**	(483.2)	(22.4)	(505.6)
Total ongoing operations[1]	**(2,150.1)**	**(98.7)**	**(2,248.8)**	(2,118.1)	(102.3)	(2,220.4)
Brokered commercial business[1,2]	**26.8**	**(10.8)**	**16.0**	(354.7)	(18.5)	(373.2)
Run-off partnerships	**(72.1)**	**(2.7)**	**(74.8)**	(136.8)	(4.5)	(141.3)
Total	**(2,195.4)**	**(112.2)**	**(2,307.6)**	(2,609.6)	(125.3)	(2,734.9)

Notes:

1. See glossary on pages 238 to 241 for definitions and appendix A – Alternative performance measures on pages 242 to 245.
2. 2024 balances reflects 12 months of the Royal & Sun Alliance Insurance Limited quota-share reinsurance compared with three months in 2023.

Sensitivity analysis – changes in: the discount rate used in relation to PPOs and other claims, the assumed Ogden discount rate and claims inflation

The table below provides a sensitivity analysis of the potential net impact of a change in a single factor (for example the illiquidity premium ("**ILP**")) with all other assumptions left unchanged. Other potential risks beyond the ones described could have additional financial impacts on the Group.

	Increase/(decrease) in profit before tax and equity gross of reinsurance		Increase/(decrease) in profit before tax and equity net of reinsurance	
	2024	2023	**2024**	2023
At 31 December	**£m**	£m	**£m**	£m
Discount curve - PPOs				
Impact of an increase in the ILP of the discount rate used in the calculation of present values of 100 basis points	**87.0**	95.0	**38.5**	39.0
Impact of a decrease in the ILP of the discount rate used in the calculation of present values of 100 basis points	**(115.1)**	(127.8)	**(51.4)**	(52.1)
Discount curve - other claims				
Impact of an increase in the ILP of the discount rate used in the calculation of present values of 100 basis points	**65.1**	55.9	**41.3**	37.2
Impact of a decrease in the ILP of the discount rate used in the calculation of present values of 100 basis points	**(68.3)**	(58.6)	**(43.2)**	(38.9)
Ogden discount rate				
Impact of the Group reserving at a discount rate of 1.5% compared to 0.5% (2023: 0.75% compared to minus 0.25%)	**143.6**	105.1	**57.7**	48.1
Impact of the Group reserving at a discount rate of minus 0.5% compared to 0.5% (2023: minus 1.25% compared to minus 0.25%)	**(204.9)**	(220.6)	**(73.8)**	(97.0)
Claims inflation				
Impact of a decrease in claims inflation by 200 basis points for two consecutive years	**129.7**	112.8	**73.9**	71.7
Impact of an increase in claims inflation by 200 basis points for two consecutive years	**(131.7)**	(114.6)	**(75.0)**	(72.8)
Risk adjustment (restated)				
Impact of a risk adjustment at the 70th percentile compared to the booked risk adjustment at the 75th percentile	**52.3**	52.3	**26.9**	28.9
Impact of a risk adjustment at the 80th percentile compared to the booked risk adjustment at the 75th percentile	**(61.4)**	(60.5)	**(30.2)**	(33.9)

The PPO sensitivity above is calculated on the basis of a change in the discount rate used for the actuarial best estimate reserves as at 31 December 2024. It does not take into account any second order impacts such as changes in PPO propensity or reinsurance bad debt assumptions.

Notes:

1. These sensitivities exclude the impact of taxation.
2. These sensitivities reflect one-off impacts at the statement of financial position date and should not be interpreted as predictions.
3. The sensitivities relating to an increase or decrease in the discount rate used for PPOs illustrate a movement in the time value of money. The PPO sensitivity has been calculated on the direct impact of the change in the discount rate with all other factors remaining unchanged. The sensitivity is calculated on the basis of a change in the discount rate used for the actuarial best estimate reserves as at 31 December 2024. It does not take into account any second order impacts such as changes in PPO propensity or reinsurance bad debt assumptions.
4. The sensitivities relating to an increase or decrease in the yield curve used to discount all reserves excluding PPOs illustrate a movement in the time value of money from the assumed level at the statement of financial position dates. The sensitivity has been calculated on the direct impact of the change in the discount curve with all other factors remaining unchanged.
5. Ogden discount rate sensitivity has been calculated on the direct impact of a permanent change in the discount rate in England and Wales with all other factors remaining unchanged.
6. The risk adjustment sensitivities are with respect to the discounted risk adjustment at the statement of financial position dates, with the year-end 2023 sensitivities having been restated from an undiscounted basis as reported in the Group's 2023 Annual Report and Accounts.

Reinsurance

The objectives of the Group's reinsurance strategy are to reduce the volatility of earnings, facilitate effective capital management, and transfer risk outside the Group's risk appetite. This is achieved by transferring risk exposure through various reinsurance programmes with the material ones being:

- Catastrophe reinsurance to protect against an accumulation of claims arising from a natural perils event. The retained deductible is £100 million and cover is placed annually on 1 January up to a modelled 1-in-200 year loss event.
- Motor reinsurance to protect against a single claim or an accumulation of large claims, which renews on 1 January. The retained deductible is set at an indexed level of £5 million per claim up to an unlimited amount.
- Motor excess of loss reinsurance for Motability Operations has been renewed with effect from 1 October 2024. The retained deductible is set at an indexed level of £5 million per claim up to an unlimited amount. Motability policies are 80% quota share reinsured.
- Following the Group's sale of its Brokered commercial business to RSA Insurance Limited, quota share reinsurance between the two parties incepted on 1 October 2023, on an earned basis, covering 100% of all premiums earned and claims incurred after this date.
- Whole account (excluding Motability) structured quota share reinsurance with a 10% cessation, ceded on a funds-withheld basis with inception on 1 January 2023 for a three-year term.

Tax management

The Board recognises that the Group has an important responsibility to manage its tax position effectively. The Board has delegated day-to-day management of taxes to the Chief Financial Officer and oversight is provided by the Audit Committee.

These arrangements are intended to ensure that the Group complies with applicable laws and regulations; meets its obligations as a contributor and a collector of taxes on behalf of the tax authorities; and manages its tax affairs efficiently, claiming reliefs and other incentives where appropriate.

Tax authorities

The Group has open and co-operative relationships with the tax authorities with which it deals in the countries where the Group operates, namely the UK, the Republic of Ireland, South Africa and India.

Tax policy and governance

The Group's tax policy has been reviewed and approved by the Audit Committee. The Group Tax function supports the Chief Financial Officer in ensuring the policy is adhered to at an operational level.

For more information please see our published Group Tax policy on the Group's website at:

www.directlinegroup.co.uk/en/sustainability/reports-policies-and-statements.html

Total tax contribution

The Group's direct and indirect tax contribution to the UK Exchequer is significantly higher than the UK corporation tax that the Group would ordinarily pay on its profits. The Group collects taxes relating to employees and customers on behalf of the UK Exchequer and other national governments. It also incurs a significant amount of irrecoverable value added tax relating to overheads and claims. Taxes borne and collected in other tax jurisdictions have not been included in this note as the amounts are minimal in the context of the wider UK Group.

During 2024, the sum of taxes either paid or collected across the Group was £1,032.1 million

The Group's 2024 tax contribution is detailed further on page 50 in Society in the Sustainability section.

Jane Poole
Chief Financial Officer

Motor

Operating profit/(loss)

£107m

2023: £(320)m

Gross written premium

£2,700m

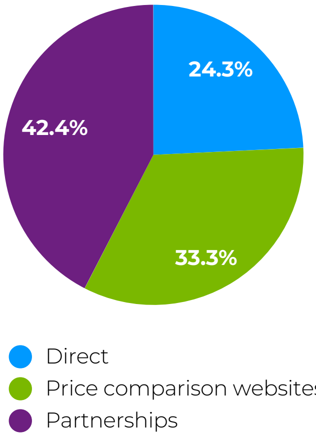
2023: £2,048m

In-force policies (thousands)

3,831

2023: 4,181

Gross written premium by channel



Performance summary

Operating profit of £107 million, an increase of £427 million as the result started to benefit from pricing and underwriting actions taken during 2023.

Gross written premium grew by 31.8%.

In-force policies reduced by 8.4% as we continued to focus on disciplined underwriting. Direct own brand policy count reduced by 13.2%.

During 2024, Motor's return to profitability was delivered by two key factors. Firstly, the pricing and underwriting actions taken during 2023 continued to earn through and secondly, a return to favourable prior year reserve development. Alongside a higher investment result, this delivered a £427 million increase in operating profit to £107 million.

2024 was a transitional year for Motor earnings given the net insurance margin was a positive 4.9% in the second half of the year, compared with negative 3.0% in the first half which was impacted by the below target margin business written during the first half of 2023.

Financial summary

	2024 £m	2023 £m
In-force policies[1] (thousands)	**3,831**	4,181
Of which:		
Direct own brands[2]	**2,927**	3,373
Partnerships	**904**	808
Gross written premium[1]	**2,700.0**	2,047.8
Of which:		
Direct own brands[2]	**1,554.9**	1,601.3
Partnerships	**1,145.1**	446.5
Operating profit/(loss)[1]	**107.0**	(319.6)
Profit/(loss) before other finance costs	**207.0**	(274.4)
Net insurance margin[1]	**1.0%**	(21.1%)
Net insurance claims ratio[1]	**74.9%**	95.5%
Current-year attritional net insurance claims ratio[1]	**76.0%**	86.7%
Prior-year reserves development ratio[1]	**(1.1%)**	8.8%
Net acquisition costs ratio[1]	**4.6%**	5.7%
Net expense ratio[1]	**19.5%**	19.9%

In-force policies and gross written premium and associated fees

Motor premiums grew by 31.8% compared to 2023 driven by the Group's partnership with Motability, where we had a full year of premium in 2024 compared to only seven months during 2023. Our partnership with Motability accounts for around 41% of Motor gross written premiums, is developing well and delivered 14% growth in policy count during 2024.

Motor average premiums[2,3]

£	FY 2024	FY 2023
New business	**583**	551
Renewal	**508**	441
Own brands	**530**	470

Overall the motor market remained challenging in the second half of 2024 and we continued to trade with discipline. This resulted in a further reduction in our own brand policy count, which for 2024 was down 13.2%. The reduction in policy count was partly offset by an increase in average premiums, which were in line with market, leading to a 2.9% reduction in our own brand[1] gross written premiums and associated fees. Retention across own brands improved during the year while we also delivered 3% policy count growth in the PCW channel.

Underwriting

The current-year attritional net insurance claims ratio improved by 10.7pts to 76.0% reflecting the benefit from the pricing actions taken during 2023 and 2024 and claims inflation tracking in line with expectations of high single digits. Prior-year reserves saw a release of £21 million compared with a reserve strengthening of £138 million in 2023.

Net insurance margin and operating profit/(loss)

The combination of an improved current-year attritional net insurance claims ratio, and prior year development ratio, delivered a 22.1pt improvement in the net insurance margin to 1.0%, (2023: minus 21.1%). The insurance service result was a profit of £19 million and operating profit was £107 million due to higher investment income.

Profit before other finance costs

Profit before other finance costs improved to a profit of £207 million from a loss of £274 million in 2023 due to the factors described above together with positive movements from changes in the yield curve.

Notes:

1. See glossary on pages 238 to 241 for definitions and Appendix B – Management view statements of profit and loss, expenses, average premiums, gross written premium and associated fees and in-force policies on pages 246 to 253.
2. Direct own brands include in-force policies under the Direct Line, Churchill, Darwin, Privilege and By Miles brands.
3. Average premium figures quoted relate to Motor own brands excluding the By Miles brand.

Non-Motor

Operating profit

£98m

2023: £130m

Gross written premium and associated fees

£1,032m

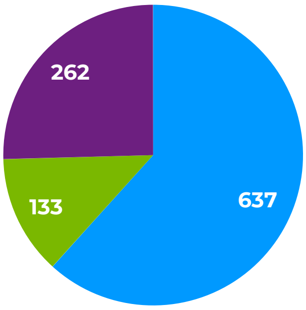
2023: £930m

In-force policies (own brands) (thousands)

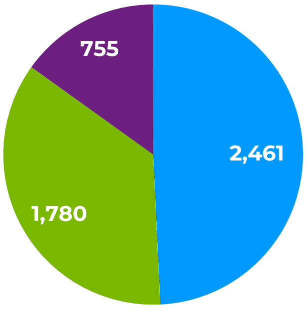
3,469

2023: 3,503

Gross written premium by product (£m)



In-force policies by product (thousands)



- Home
- Rescue
- Commercial Direct

Performance summary

Operating profit reduced to £98 million, primarily due to higher weather-related claims and prior-year strengthening.

Total gross written premium grew 11.0% to £1,032 million. Direct own brand gross written premium grew 13.1% to £831 million.

Total in-force policies 3.1% lower at 5.0 million. Direct own brand policies were 1.0% lower at 3.5 million.

Non-Motor delivered a solid result, with double-digit gross written premium growth, a net insurance margin of 8.9% (7.0% when normalised for event weather) and operating profit of £98 million.

In-force policies and gross written premium and associated fees

Non-Motor delivered gross written premium growth of 11.0% during 2024, which is ahead of our target of 7% to 10% CAGR announced at the Capital Markets Day in July 2024. Growth was supported by a double digit increase of 15.5% in Home and 8.8% in Commercial Direct while Rescue premiums were 3.3% lower.

Home own brands returned to policy count growth in 2024 as competitiveness improved due to significant premium inflation in the market, particularly in the first half. Strong retention and a 13% increase in average premiums delivered own brand gross premium growth of 17.5% year-on-year. Home partnerships premium increased by 9.7% during the year.

Financial summary

	2024	2023
In-force policies[1] (thousands)	**4,996**	5,158
Home	**2,461**	2,444
Rescue	**1,780**	1,965
Commercial Direct	**755**	749
Of which: Own brands[2]	**3,469.0**	3,503.0
Gross written premium and associated fees[1]	**1,031.9**	929.8
Home	**636.8**	551.5
Rescue	**132.8**	137.3
Commercial Direct	**262.3**	241.0
Of which: Own brands[2]	**831.3**	734.9
Operating profit[1]	**98.0**	129.7
Profit before other finance costs	**110.4**	156.9
Net insurance margin[1]	**8.9%**	14.0%
Net insurance claims ratio[1]	**59.8%**	57.5%
Current-year attritional net insurance claims ratio[1]	**52.8%**	53.7%
Prior-year reserves development ratio[1]	**2.5%**	0.7%
Event weather ratio[1]	**4.5%**	3.1%
Net acquisition costs ratio[1]	**9.7%**	8.9%
Net expense ratio[1]	**21.6%**	19.6%
Normalised net insurance margin[1]	**7.0%**	10.2%

Home average premiums

£	FY 2024	FY 2023
New business	**259**	206
Renewal	**278**	249
Own brands	**274**	242

In Commercial Direct, gross written premium grew 8.8% compared to the prior year driven by growth in Landlord and small-to-medium enterprises ("**SME**") while Van was broadly stable. Policy count was 0.8% higher as we continued to target growth in the attractive Landlord and SME markets, more than offsetting a reduction in Van policies, where we increased average premiums to take into account elevated levels of inflation. Overall, retention was stable across the Commercial Direct book.

In Rescue, policy count was 9.4% lower largely due to partnerships while gross written premium and associated fees was 3.3% lower than prior year, largely due to lower linked premiums, where we sell a Rescue policy alongside a Motor policy.

Underwriting

The insurance service result was £85 million (2023: £120 million).

The net insurance claims ratio was 59.8%, 2.3pts higher than prior year, with the increase largely driven by higher weather-related claims and prior year strengthening. Weather event-related claims in Home and Commercial were £43 million, £16 million higher than prior year. The 2025 event weather claims assumption is £70 million (2024: £62 million.)

The current-year net insurance attritional claims ratio was 52.8%, 0.9pts lower than prior year. The prior-year claims development ratio was 2.5%, mainly reflecting strengthening in assumptions for subsidence and escape of water claims from older years.

Net insurance margin and operating profit

The net insurance margin was 8.9% or 7.0% when normalised for event weather, 3.2pts lower than prior year. However, underlying margins were strong adjusting for the attritional weather and prior year movements.

Operating profit was £98 million or £79 million normalised for event weather.

Profit before other finance costs

Profit before other finance costs reduced to £110 million from a profit of £157 million at 2023 due to the factors described above alongside a small reduction in benefits received from changes in the yield curve.

Notes:

1. Appendix B – Management view statements of profit and loss, expenses, average premiums, gross written premium and associated fees and in-force policies on pages 246 to 253.
2. Direct own brands include in-force policies under the Direct Line, Churchill and Privilege brands.

Risk management

Our Risk Management Framework

The Risk Management Framework sets out, at a high level, the Group's approach to setting risk strategy, and managing risks to the strategic objectives and day-to-day operations of the business. The Risk Management Framework is designed to manage the Group's risk proactively and to enable dynamic risk-based decision making.

This includes clear accountabilities and risk ownership designed to ensure that we identify, manage, mitigate and report on all key risks and controls, and is governed through the Group's three lines of defence model:

First line: Management is responsible for embedding risk management into business as usual and change processes whilst creating transparent reporting of risks and management actions. The Chief Controls Office ("**CCO**") supports Management and Senior Management Function ("**SMF**") holders in discharging their responsibilities with respect to risk and control.

Second line: Is responsible for the design of the Risk Management Framework and oversight of its implementation with the provision of proportionate oversight of key business decisions and challenge of risks, events and management actions throughout the Group.

Third line: Group Audit is responsible and accountable for providing an independent and objective view of the adequacy and effectiveness of the Group's risk management, governance and internal control framework.

Aligned to the three lines of defence model, the Risk Management Framework articulates the high-level principles and practices needed to achieve appropriate risk management standards and the inter-relationships between components of the Risk Management Framework.

The Risk Policies and Minimum Control Standards ("**MCS**") are key elements of the Risk Management Framework that interpret risk management control objectives into a set of risk and control requirements to be implemented across the Group. The Group's key controls are aligned to these control objectives and are subject to regular assessment.

The Group uses a systematic approach for the assessment of risks and the controls in place to mitigate risks, through the Risk and Control Self-Assessment ("**RCSA**") process. The objective of RCSA is to ensure that the Group understands the risks to the achievement of its strategic objectives, and to provide reasonable assurance over the effectiveness of mitigating controls, and to ensure an up to date and consistent view of risks and controls.

Risk appetite

Our risk appetite statements define the opportunities and associated level of risk the Group is prepared to accept to achieve its business objectives. These statements, supported by a suite of Key Risk Indicators ("**KRIs**"), support management in making decisions aligned to the risk appetite of the Group. Risk appetite statements are both qualitative and quantitative risk statements and forward- and backward-looking. We review our risk appetite statements and KRIs annually.

The Risk Appetite Framework is comprised of Overarching Risk Appetite Statements, set out below, that are approved by the Board annually, with risk appetite statements documented in our Risk Policies.

Overarching risk objective

The Group recognises that its long-term sustainability is dependent on having sufficient economic capital to meet its liabilities, therefore protecting customers, its reputation and the integrity of its relationship with policyholders and other stakeholders. As part of this, its appetite is for general insurance risk, focusing on personal lines retail and small and medium-sized enterprise insurance in the United Kingdom. DLG has appetite for non-insurance risks, as appropriate, to enable and assist it to undertake its primary activity of insurance.

Three strategic risk objectives

1. Maintain capital adequacy

The Group seeks to hold capital resources in the range of 140% to 180% of the partial Internal Model Solvency Capital Requirement ("**SCR**"). This is the buffer the Group wishes to hold on top of its 1 in 200 regulatory requirements, with a green threshold set at 155% of SCR to provide an early warning indicator, but a target of 180% of SCR consistent with its Dividend Policy.

2. Stable/efficient access to funding and liquidity

The Group aims to meet both planned and unexpected cash outflow requirements, including those requirements that arise following a 1-in-200 year insurance, market or credit risk event.

3. Maintain stakeholder confidence

The Group has no appetite for material risks resulting in reputational damage, regulatory or legal censure, poor customer outcomes, fines or prosecutions and other types of non-budgeted operational risk losses associated with the Group's conduct and activities. The Group's objective is to maintain a robust and proportionate internal control environment.

Managing risk in line with our strategy

Our management team, with oversight from the Board, is responsible for developing our strategy. Our strategic planning process aims to ensure we have developed clear objectives and targets, and identified the actions needed to deliver them, including the management of risks arising from the strategic plan.

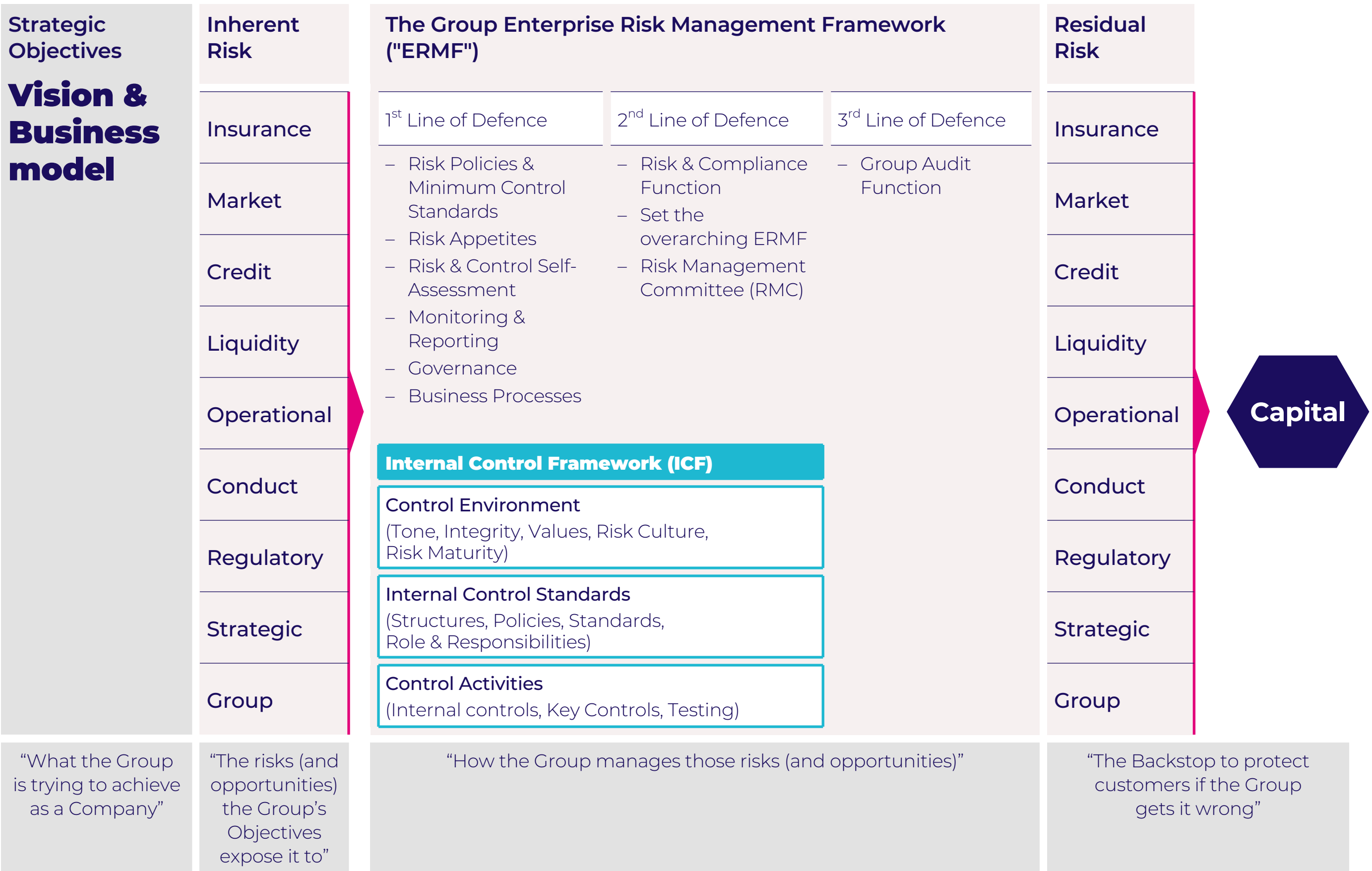
The Risk Strategy supports optimal business decision-making through the proactive identification, assessment and management of risks to the Group and its pursuit to be the customers' insurer of choice.

The Group recognises the need to ensure that:

- the Risk Strategy is aligned to the Group's vision, purpose and strategic objectives;
- risk and capital requirements are managed within the Board's risk appetite;
- the reputation of the Group is maintained;
- strong risk management capability is in place across the business; and
- it drives for sustainable value for shareholders.

This is delivered by ensuring that:

- a robust, proportionate, proactive and forward-looking Risk Management Framework is maintained to support the business in achieving its strategic objectives;
- Risk Strategy aligns to the Group Strategy;
- risk management within the Group is a forward-looking activity;
- strong risk behaviours and attitudes are exhibited across the Group; and
- effective relationships are maintained with the Group's regulators.



Principal risks and uncertainties

Our principal risks and uncertainties have been identified as those most likely to materially impact the Group's solvency capital. These risks and uncertainties have been assessed as events or circumstances that might threaten the Group's business model, future performance, solvency or liquidity and reputation. The principal risks presented here are not intended to be exhaustive but are consistent with those reported to the Risk Management Committee and Board Risk Committee for review and discussion.

Principal risk	Description	Risk commentary	
Insurance Risk **Trend – stable**	Insurance risk is the risk arising from insurance obligations, in relation to the perils covered and the processes used in the conduct of business. It takes account of the uncertainty related to the Group's existing insurance and reinsurance obligations as well as to new business expected to be written. It includes the risk of loss, or of adverse change in the value of insurance liabilities, resulting from: – fluctuations in the timing, frequency and severity of insured events, and in the timing and amount of claim settlements; and – significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events (for example catastrophe risk).	Key drivers of the outlook for Insurance risk include reserve, underwriting, distribution, pricing and reinsurance risks. Issues relating to claims inflation, ongoing Motor insurance affordability concerns resulting in the creation of the Motor Insurance Task Force, motor market premium softening and the uncertainty in economic environment, with elevated geopolitical tensions, have been key areas of focus for the Group in 2024. Claims trends have been significantly impacted by persistent claims inflation and large claims, particularly in the motor market, contributing to uncertainty in claims reserving and pricing in 2024 and beyond. This notwithstanding, our reserving processes reflect improved insight in claims experience and inflation trends resulting from extensive work undertaken across the business. In addition, the Group is continuing its pricing and underwriting transformation journey, targeting technical excellence in support of best market practice in line with our strategic objectives. This includes ongoing monitoring of our underwriting risk profile following the launch of the Direct Line for Motor brand on price comparison websites in December 2024. Key risk themes relating to this category include the macroeconomic environment, regulatory and legislative environment, climate, organisational resilience and agility, and a softening motor market. We use scenario testing to understand the potential financial impacts of the key risks and we continue to monitor them closely.	With respect to climate change, this potentially poses significant risks to our business in the longer term, particularly in terms of weather-related perils. It could impact the frequency and severity of events such as floods, windstorms, freezes, droughts, and subsidence, leading to more extreme occurrences in the future. To mitigate our exposure to these extreme weather events, the Group employs reinsurance arrangements and participates in the Flood Re scheme. Additionally, we use stress and scenario testing to quantify the potential short and long term impacts of climate change on our customers, business model, and financial performance. These stress tests particularly focus on the impact on liabilities in the property (Home and Commercial) lines of business.
Market Risk **Trend – stable**	Market risk is the risk of loss resulting from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.	Key drivers of market risk are the sensitivity of the values of our assets and investments to changes in credit spreads, our exposure to losses as a result of changes in interest rates, term structure or volatility, and wider market volatility, including the key risk themes of the impact from the macroeconomic environment and geopolitical landscape. In particular, the worldwide and UK economic environment remains uncertain with elevated geopolitical tensions that could affect equity, credit and property markets and lead to credit spread increases, foreign exchange rate volatility and the impact of interest rate changes.	Our Board has approved a strategic asset allocation and investment strategy that limits our exposure to individual asset classes and illiquid investments. Technical provisions are affected by changes in interest rates and inflation, and in particular Periodic Payment Orders as these are of longer duration. We apply asset liability matching techniques to partially mitigate these sources of risk. We also use risk reduction techniques such as hedging foreign currency exposures with forward contracts.

Principal risk	Description	Risk commentary	
Credit Risk **Trend – stable**	The risk of loss resulting from default in obligations due from, and/or changes in the credit standing of, issuers of securities, counterparties or any debtors to which the Group is exposed.	The Group monitors its key counterparties, specifically the security of the issuers within its investment portfolio and that of its reinsurance counterparties. To manage credit risk, we set credit limits for each material counterparty and actively monitor credit exposures, whilst also considering new future exposures. With respect to reinsurance counterparty credit risk, our exposures are mainly held with reinsurers with high credit ratings. Reinsurance is only purchased from reinsurers that hold a credit rating of at least A– for short tail reinsurance and the majority of long tail reinsurance is to be purchased from reinsurers rated A+ or above.	Exceptions to the above or strategic reinsurance arrangements are assessed on a case-by-case basis and follow clearly defined internal credit risk processes. Finally, we also have well defined criteria to determine which customers and brokers are offered and granted credit.
Operational Risk **Trend – stable**	Operational risk is the risk of loss due to inadequate or failed internal processes or systems, including from human error or from external events. Risks relating to this category include, technology and infrastructure, change, cyber, operational disruption, financial reporting, and procurement and outsourcing.	Our approach is to manage our operational risks proactively, to mitigate potential customer harm, regulatory or legal censure, financial, reputational, or environmental, social, governance ("**ESG**") impacts. This is principally achieved through robust control, and the Group is continuing to strengthen its control environment through various improvement initiatives across the business. This includes implementation of a new Risk & Control Self-Assessment process, facilitated by a new Chief Controls Office function in the first line, ensuring greater consistency in control assessment and testing. Material progress has been made in 2024, with further embedding to continue into 2025. Technology and infrastructure risk is defined as the risk of loss resulting from inadequate or failed information technology processes through strategy, design, build or run components internally or externally provisioned. This includes IT resilience and cyber security. Changes to our technology environment follow an industry standard service management framework that provides risk assessment, planning, testing and validation prior to production with ongoing control and performance monitoring. Change risk is defined as the risk of failing to manage the change portfolio and associated change initiatives, within desired scope, time, cost, quality and Group risk appetite, leading to a failure to deliver strategic benefits, good customer outcomes and possibly causing business disruption. The Group's Transformation Management Office ("**TMO**") is responsible for implementing and embedding changes to further mature our organisational change portfolio management, delivery capability, and associated control environment. Cyber risk arises from inadequate internal and external cyber security, where failures impact the confidentiality, integrity and availability of our data. The Group's Chief Information Security Officer is responsible for ensuring the appropriate cyber security policies and controls are in place and operating effectively.	Operational disruption risk is the risk of failing to deliver products and services at an acceptable predefined level following disruptive events. The Group's Operational Resilience Framework sets out requirements for maintaining resilience which includes, identifying Important Business Services ("**IBS**"), setting tolerances, and regularly assessing the Group's ability to remain within these tolerances during disruptions. The Group has planned mitigations in the event of a disruptive event and monitors a suite of IBSs. All IBSs undergo scenario testing, as per regulatory guidelines, to identify vulnerabilities and develop suitable mitigations. Financial reporting risk is defined as the risk of material misstatement, misrepresentation or untimely delivery of external or internal financial information, including regulatory financial information, resulting in inappropriate movements in share price, reputational damage, poor decision making/planning in relation to finance, tax, investment, strategy and capital, or regulatory fines. During the Group's half year results preparation, a miscalculation was identified within the Group's audited Solvency II Own Funds for the year ended 2023 as announced on 23 August 2024. The Group has taken action to strengthen the control environment in relation to the specific area where the miscalculation occurred. Procurement and outsourcing is the risk of an outsourcing arrangement that is deemed critical or material failing to deliver the service provision in question to the expected levels. The Group adheres to a defined framework for the appointment and management of suppliers, outsourcing arrangements and Intra-Group relationships. The Group manages its suppliers through ongoing oversight and assurance.

Principal risk	Description	Risk commentary	
Conduct and regulatory compliance risk **Trend – stable**	The risk of failing to deliver good customer outcomes and/or failing to deliver on our regulatory commitments.	The Group sees its obligations to deliver good customer outcomes as a priority area of focus. Our approach is to act promptly to identify and address the risk of failing to deliver good customer outcomes. The introduction of the Consumer Duty in July 2023 represented a significant shift in the FCA's expectations of firms and applies to all of the Group's regulated products. The FCA has been clear that the Duty is not a "once and done" exercise and firms must ensure they are learning and improving continuously. The Board approved the Annual Consumer Duty Report in July 2024, which includes areas of focus to deliver improvements on over the next 12 months, with work underway. The outlook for regulatory compliance risk is stable as financial institutions continue to embed multiple regulatory changes, alongside the challenging external environment referred to in Strategic Risk and Insurance Risk. Further, regulators are increasingly expecting financial institutions to balance commercial and societal outcomes in decision-making, as they seek to meet the needs of different stakeholders (for example, relating to climate change).	The FCA published two regulatory requirements for Direct Line Group in 2023: The FCA required the Group to undertake past business reviews to – review motor total loss claims settled between 1 September 2017 and 17 August 2022 to identify policyholders who may have received unfair settlements and provide them with redress; and – review renewal prices charged since 1 January 2022, identify any that didn't comply with the rules relating to use of tenure and provide redress. Both reviews were materially complete by the end of 2024. In January 2025, the FCA confirmed that the voluntary requirements ("**VREQs**") in relation to both of these matters had been satisfied and removed from the Financial Services Register. We have continued to engage with industry bodies, regulators and HM Treasury regarding the future regulatory framework within the UK.
Strategic Risk **Trend – stable**	The risk of direct or indirect adverse effects resulting from strategies not being optimally chosen, implemented or adapted to changing conditions.	Strategic risk is influenced by internal and external developments, including the potential impacts of the cost of living, regulatory change, changing trends for insurance products, the potential for new and ongoing geopolitical conflicts, and climate-related risks. These factors continue to have an impact on the delivery of the Group's Strategy due to a high level of uncertainty in the market and changes in consumer behaviour and engagement models. Delivery of our strategy is being closely monitored and managed with the support of the Group's Transformation Management Office.	The potential acquisition of DLG by Aviva and subsequent integration activity increases risks in the short to medium term, including potential for impact to management stretch, staff retention, unplanned costs and process disruption. These additional risks will be closely monitored and managed by the Executive team and Board through our regular and project risk reporting processes.

Emerging risks

Emerging risks are defined by the Group as newly developing or changing threats or opportunities, that are subject to a high degree of uncertainty but have the potential to materially impact the Group either in the short term, due to rapid risk emergence, or over the long term, through changing the risk landscape.

The Group has in place an emerging risks process to:

- identify, assess, and prioritise a wide range of potential emerging risks using both internal expertise and external intelligence sources; and
- mitigate the impact of emerging risks which could impact the delivery of the Plan.

Our process leverages subject matter expertise across the Group, external horizon scanning and external industry data. Emerging risks are regularly reviewed and reported to the Risk Management committees.

Environmental

The Group recognises that emerging environmental issues, such as climate change, pose material long-term financial risks to the Group. Environmental risks can manifest themselves through a range of existing financial and non-financial risks.

We continue to monitor these risks closely and to develop our climate change modelling capability. Further details on our risk management approach to climate change are included in the Task Force on Climate-related Financial Disclosures ("**TCFD**") section of the report starting on page 58.

Social & Economic

Increasing economic pressures and generational shifts in consumer behaviour are expected to influence demand patterns. Persistent cost-of-living concerns, along with younger generations prioritising flexible, digital first solutions, may require the Group to innovate and adapt its product offerings in order to appropriately meet changing demands and needs.

Political

Due to heightened geopolitical tensions, there is a risk that measures are implemented by governments that decrease political stability, erode countries' relationships, and contribute to increasing protectionism. This could lead to multiple impacts including on investment performance and supply chains. The Group conducts ongoing analysis to monitor exposure to the developing geopolitical environment.

Technological

Technological advancements, including relating to autonomous vehicles and Artificial Intelligence applications are expected to transform the insurance landscape. The Group is closely monitoring these changes to assess their implications for underwriting, claims and regulatory compliance. The Group will continue to engage with industry bodies to help shape policies and understand potential impacts on the Group.

Sustainability

Direct Line Group believes that responsible business behaviour is the key not only to being a sustainable business but also a successful one. It supports our vision of insurance as a force for good in society and builds trust among the Group's stakeholders.

Ensuring a sustainable future for the Group means taking positive action on environmental, social and governance issues. This includes fair treatment of customers and colleagues, transparency on climate-related risks, high standards of conduct in business relationships and making a positive contribution to UK society.

This section aims to provide the non-financial and sustainability information sought by investors and other stakeholders. It sets out the practical ways in which legal requirements under the Companies Act and other measures, including climate-related reporting, are carried out.

For more information on corporate governance, see the report on Pages 75 to 100.

To reflect the Group's priorities as a responsible business, this section organises the information under five pillars: Customers, People, Society, Planet and Governance.

Our vision

To create a world where insurance is personal, inclusive and a force for good

	Customers	People	Society	Planet	Governance
Ambitions	**Earn our customers' trust by demonstrating how we are acting in their interests**	**Encourage a culture that celebrates difference and empowers people so they can thrive**	**Use our expertise to improve outcomes for society and the communities we serve**	**Protect our business from the impact of climate change and give back more to the planet than we take out**	**Look to the long term for our stakeholders, build a reputation for high standards of business conduct and develop a sustainable business**
Priority areas	– Good customer outcomes – High service levels – Inclusive and accessible digital journeys – Develop products that offer better choice and value for money	– High workplace standards – Fair outcomes for all colleagues – Invest in skills and career development – Increase representation in our Senior Leadership	– Improve employability skills and access to employment for under represented young people – Colleague engagement	– Reduce operational emissions – Decarbonise investment portfolio – Manage climate-related risks and opportunities – Engage and align suppliers with environmental aims	– Robust corporate governance and effective leadership – Ethical and professional conduct – Responsible procurement – Responsible use of data and technology
2024 actions	– Launched Churchill and Direct Line apps – Developed proposition for Direct Line launch on Price Comparison Websites – Rolled out new home platform	– New target operating model – Improved skills – Made some progress against diversity targets	– Young people positively impacted through Community Fund outreach programmes – Colleagues engaged in Community Fund programmes – Announced new Community Fund charity partners	– Further reduced operational emissions (Scope 1 + 2) by 3% compared to 2023. – Further reduced commercial real estates investment emissions by 20% year on year. – Increased supplier sustainability weighting to 10% in the procurement process	– 99.5% of colleagues trained on Business Code of Conduct and associated standards – Introduced new AI responsibility framework and risk assessments – Over 95% of suppliers paid on time (under 30 days)

Non-financial and sustainability information statement

This non-financial and sustainability information statement highlights information necessary for an understanding of the Company's development, performance, position and impact of its activity, information relating to environmental, employee, social, respect for human rights, anti-corruption and anti-bribery matters.

Where possible, the following table states where additional information can be found that supports the requirements of sections 414CA and 414CB of the Companies Act 2006.

Reporting Requirement	Annual Report	Page	Relevant policies, statements and codes available at directlinegroup.co.uk
Environment	Sustainability	44 to 57	Environment Statement
	Task Force on Climate-related Financial Disclosures	58 to 71	
	Streamlined Energy and Carbon Reporting	72 to 73	
Anti-bribery and anti-corruption	Financial crime and anti-bribery and corruption	108	Prevention of Financial Crime Policy Code of Business Conduct
	Ethical Code for Suppliers	55	Ethical Code for Suppliers Whistleblowing Policy
Employees	People	15 to 18 48	Flexible Working Policy Health & Safety Policy
Business model	Group at a glance – our business model	2	Prompt Payment Code
	Our investment story and strategy	3	Responsible Investment Policy
	Delivering for our customers	4 to 5	Underwriting Standards
			Tax Policy
Social and community matters	Society	49 to 50	Board Diversity Policy
	Nomination and Governance Committee report – Diversity and inclusion	110	Data Privacy Policy
			Corporate Website Privacy Notice
Human rights	Human rights and modern slavery	55 and 112	Human Rights, Diversity and Inclusion Policy Modern Slavery Statement
KPIs	Our financial key performance indicators	7	
	Colleague engagement	15	
	Net Promoter Score	47	
	Operational emissions	53	
Risk management	Risk management	38 to 43	
	Principal risks and uncertainties	40 to 42	
	Emerging risks	43	

The table below has been produced to comply with the requirements of section 414CB of the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022. The information listed is incorporated by cross-reference.

Reporting requirement	Page	Further information
(a) a description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	58 to 59	Refer to Governance
(b) a description of how the company identifies, assesses, and manages climate-related risks and opportunities	72 to 73 59 58 to 71	Refer to Risk Management Refer to Management's role Additional information available throughout TCFD report
(c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process	72 to 73	Refer to Risk Management
(d) a description of: – (i) the principal climate-related risks and opportunities arising in connection with the company's operations; and – (ii) the time periods by reference to which those risks and opportunities are assessed	69	Refer to table within Our strategic response
(e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy	69 to 71	Refer to Our strategic response
(f) an analysis of the resilience of the company's business model and strategy, taking into account consideration of different climate-related scenarios	61 to 68	Refer to Scenario analysis
(g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	70, 71 and 71 to 73	Refer to Science-Based Targets
(h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	71 to 73	Refer to Metrics and Targets

Customers

"In 2024 we took the momentous decision to put our best known brand, Direct Line, on Price Comparison Websites so we are offering even more choice to motor insurance consumers."

The Group has two of the UK's iconic motor insurance brands in Direct Line and Churchill. It is in the top three for Motor and Home[1], number one for single property Landlord[2] insurance and has the UK's third largest Rescue provider in Green Flag[3].

In 2024, we focused on strengthening our performance in our core businesses of Motor, Home, Commercial Direct and Rescue alongside reducing costs and improving our claims capabilities.

We are aiming for excellence through all stages of the customers' journey in order to become their insurer of choice. We have invested over the past two years in digitalising that journey and the transformation has further to run in 2025. Our approach to earning customers' trust can be broken down into three themes: choice, value for money and service.

Choice

- **More choice:** Churchill, Darwin, Privilege and By Miles have been available on price comparison websites for many years and this year we took the momentous decision for Direct Line to join them. This went live on Compare the Market in December 2024.
- **Essentials policies** meet the needs of drivers who want core insurance cover and are willing to trade additional elements for a lower premium. First launched by Churchill in 2022 via a leading price comparison website, a large proportion of new sales are being driven by this product. Direct Line Essentials was launched in September 2023 and we have identified a similar opportunity for a Home Essentials product and are designing one for launch in 2025.
- **By Miles**, where customers pay according to car usage, launched Connect for Volvo drivers in August enabling these customers to purchase a By Miles policy without requiring a separate Miles Tracker. This takes the number of vehicle manufacturers on our Connect platform to six.
- **Enhanced renewal options:** We launched a new retention toolkit that offers contact centre colleagues better support when having conversations with renewal customers. Also, for renewing customers who pay in full, we now show a monthly payment option to make it clear the cost can be spread.
- **Expansion of Green Flag's own patrols:** Green Flag launched its own patrol service in 2023 in Scotland and the West Midlands. In 2024, Yorkshire, the Northwest and East Midlands were added and coverage is being extended across the Midlands and southern England in 2025. The new service, which last year fixed 95% of the problems it responded to at the roadside, complements the independent network of third-party roadside rescue operators who carry out more complex recoveries. In 2024 our patrols attended 19,491 customers, reaching them, on average, in 54 minutes.
- **Commercial Direct** put tool theft on the agenda with a campaign to draw attention to the impact these losses have on tradespeople. We provided practical advice on how to protect tools and other property. Our data was widely reported by the media, helping to drive awareness.

Value for Money

- To help with the cost of living challenge we offered an Essentials range to customers and through our By Miles brand, which ties premiums to car usage, offer customers better choice and ways to control their insurance costs. Customers can also use the new Churchill and Direct Line Apps to tailor policies to their needs.
- Independent benchmarking by Consumer Intelligence confirmed Green Flag offered more competitive pricing than AA and RAC, across all cover levels, for both vehicle and personal cover.
- Commercial Direct's Landlord product won the What Mortgage best landlord insurance provider for the 12th year in a row and scored 4.7/5 on Trustpilot.
- **Darwin smart pricing:**
  - Improved pricing: We significantly improved our pricing capability allowing us to offer competitive prices to more UK drivers.
  - Renewals research: In 2024, we incorporated additional feedback from customers into pricing and customer experience improvements in our renewal journey resulting in a step change in retention rates.

Notes:

1. Source: Ipsos Mori – FRS, January to December 2024.
2. Source: Consumer Intelligence Market Benchmarking – September & December 2024, 500 risks per month.
3. Mintel Vehicle Assistance and Recovery UK Oct 2024.

- Premium Finance: With rising costs, more customers are looking to spread the cost of insurance across their policy term. Darwin has reviewed this scheme aiming to minimise barriers and to offer an appropriate rate of interest. In 2024 we piloted and rolled out a new scheme which reduced the initial deposit and extended the remaining payments over a longer period. Learnings from the Darwin pilot also allowed us to extend this scheme across our other brands.
- The Green Flag partnerships team collaborated with Virgin Money to upgrade the level of Rescue cover for their Club M packaged bank account customers. Before this upgrade customers only had access to local cover. Following the upgrade, National and European Cover became available on 1 February 2024, along with other new benefits including Onward Travel and Personal Cover in the UK.
- Working with Apple and utilising its robust satellite services, Green Flag is the first UK breakdown brand to offer rescue services as part of Apple's Roadside Assistance via satellite on iPhone.

Service

- Better customer experience: enhanced digital capabilities have enabled customers to manage their policies better. Two Apps were launched in 2024, Churchill in July and Direct Line in September. Customers can use them to change cover, view policy documents, start a claim and get support on the go. By the end of the year, 205,531 customers were using the Apps, growing at an average rate of 1,181 sign-ups a day. The Churchill app reached #4 in the Finance charts towards the end of October and is rated 4.5/5 on iOS App Store, on which Direct Line is rated 3.95.
- "MyAccount": one time passcode was introduced to make it easier for customers to access their online insurance information without the need to remember a password. Since its rollout from early 2024, this service has increased successful sign ins by 20% and reduced customer password resets by almost 90%.
- Our dedicated personal insurance advisors visit customers when they've been impacted by flooding, to assess the damage to the home and provide much needed advice and reassurance. Advising on appropriate alternative accommodation, if required, is the first and main action taken to ensure the safety of impacted customers. They also provide guidance on what is safe to do and not do during the time water is inside the property. The Group engage with policymakers and others to highlight the importance of flood defences and infrastructure to protect properties from the risk of flood, as part of an effective and sustainable flood resilience strategy.
- Claims tracking and repairs efficiency: The Group has improved the digital experience in motor claims so that customers can track progress online, reducing the need to call for updates. This has fed into improved Net Promoter Scores.
- In DLG Autocentres, the average repair time[1] of 24.2 days is ahead of the national average time at 34.4 days. Our own garages also compare well with 3rd party network providers for both customer experience and cost to repair.
- To keep pace with the most up to date repair techniques and the highest customer safety standards, we've launched our innovative Vehicle Damage Assessor accreditation programme. What's more, we are one of the few organisations in the UK that is equipped to offer this certification in our training centre based in our flagship Stechford Technology Centre. Our training is recognised by the Institute of the Motor Industry.
- The Direct Line Motability team has improved their interaction with customers. All frontline teams are experienced in supporting customers with dementia and many have also had autism awareness training. By the end of 2025 all frontline teams will have completed their autism awareness training. They also launched a "Hyper Care" team to ensure that when the most vulnerable customers make a claim there is dedicated support on hand so customers understand the next steps and feel supported and informed. This customer centric approach has helped us attain an overall average end of amendment customer score of +91 NPS and end of claim customer NPS score of +80. (TLF data).
- **Overall the Group's Net Promoter Score[2] increased across 2024 ending the year at 52.2 improving from 50.1 in 2023.**

Green Flag Apple Satellite case study

When a customer's car began billowing smoke on a remote road in North Wales, she found herself alone, isolated and without any mobile phone signal. Using Apple's Roadside Assistance via satellite on iPhone she contacted Green Flag who responded within a minute. In a panic, she accidentally provided her own phone number instead of her mother's for her family to be informed she was safe. Our team quickly identified the error, located the correct number, and reassured her family. After quickly dispatching a rescue vehicle, we sent regular updates to support our customer, ultimately leading to a safe resolution.

Notes:

1. Cycle Time taken from Activeweb.
2. The Group's NPS is calculated using Churchill, Direct Line and Green Flag responses from customer surveys after purchase, amend, claim, cancel and renew (Green Flag is rescue claim only).

People

"Colleagues have raised their skill levels to help meet the goal of technical excellence and used their experience to adapt to new ways of working."

The Group has focused on encouraging and enabling colleagues to play a clear role in improving the Group's performance.

This has involved embedding a high-performance culture based on the brand's core values of customer service and teamwork. Colleagues have raised their skill levels to help meet the goal of technical excellence and used their experience to adapt to new ways of working. A simpler operating structure has improved accountability for delivering better performance.

Building skills and capabilities

Our training and development programmes are focused on building essential skills to meet our customers' needs, making the most of new digital platforms. Technical skills are being upgraded across the Group, from data analysis to our in-house automotive service centres. Our apprenticeship and graduate programmes make a key contribution to this.

Graduates

A fifth cohort of graduates with a STEM degree joined our Technical Engineering Programme within Automotive Services. Graduate schemes are rare in the automotive industry and we offer a number of Institute of the Motor Industry accredited qualifications. Our programme is flexible, allowing graduates to experience different aspects of the business and pursue different paths, including data analytics.

A diverse and inclusive business

In the past year we've moved our Diversity & Inclusion ("**D&I**") partner into our Leadership, Talent and Early careers centre of excellence, as part of the People Partner and Organisational Effectiveness team. This ensures we take a holistic and pragmatic approach, using data to identify opportunities to improve equity and inclusion across all people processes. We've also aligned our D&I priorities with the new Group strategy, contributing to a high performing business.

Our shift in approach is driven by clear D&I objectives set by senior leadership and implemented throughout the organisation. Our commitment has been recognised by a jump from 17th to 12th in the 2024/25 Inclusive Top 50 UK Employers rankings. Highlights cited by the judges included improved representation of under-represented groups at senior level; bias mitigation in performance management training; and a social mobility network.

The work done in 2024 focused on building talent pipelines, enhancing leadership capability, meeting regulatory requirements and achieving equitable outcomes in performance management. Here are some examples:

- new targets to increase representation at senior leadership level of females to 40% and ethnic minority colleagues to 16% (including Black colleagues to 4%) by the end of 2027
- we've made significant progress towards our female target increasing by 4.1% year on year but have more work to do to seek to ensure ethnic minority representation continues to increase. Current initiatives include targeting diversity in recruitment shortlists, setting leadership objectives for representation in succession and developing our internal talent development methods to support those from underrepresented groups
- senior leadership championing D&I, supported by employee-led "DNA" strands (Belief, Families & Carers, Gender, LGBTQ+, Neurodiversity and Disability, Race and Ethnicity, and Social Mobility)
- comprehensive policies to encourage dignity and respect, zero tolerance of bullying and harassment, clear processes to report incidents
- a communication strategy that ensures we keep D&I top of mind, driving accountability and allyship beyond our employee networks with regular contributions from the ExCo
- using data to identify focal areas to address change such as representation of females in our Motor Network.

Ignite Apprenticeship Programme

The Ignite apprenticeship programme, launched in 2022, celebrated 159 completions in 2024 with standout results: 56% achieved distinction and 17% earned merit.

At the end of the year, 257 colleagues were actively engaged in apprenticeships across the Group. Of these, 32% were focused on data and technology and 45% on vehicle repair, with the remainder developing vital business skills. Among the 127 new apprentices in 2024, 68 were new hires with 62% of those joining auto services and a further 25% dedicated to Motability. We utilised 81% of our apprenticeship levy, with 10% of our spending supporting local communities and smaller enterprises.

We are working with The Schools Outreach Company to increase the number of female applications for our vehicle repair apprenticeship and have signed up to the Automotive 30% Club (aiming to fill 30% of key leadership positions across the Automotive industry with females by 2030). Targets have been set to increase the number of females in leadership positions within the Auto Repair Network.

Society

"The number of students likely to consider a career in insurance rose from 13% pre-programme to 95% afterwards. The Group has started to hire participants into paid roles."

A key part of our responsible business strategy is to use our expertise and resources to improve outcomes for society and the communities we serve. When our communities prosper, so does our business and so does the sense of well-being among our colleagues.

Community Fund

The Community Fund helps to build a more inclusive and equitable society by supporting disadvantaged young people in their quest for a brighter future. This complements our commitment to being an inclusive and diverse employer, which helps us to attract and retain a wide range of talent.

Our Bright Futures programme connects our colleagues with young people from lower socio-economic backgrounds via volunteering opportunities to help them acquire the knowledge and networks they need to improve their employment chances.

In 2024, our colleagues gave 2,027 volunteering hours to support more than 11,000 disadvantaged young people through activities ranging from paid work experience to mentoring. This more than doubled the total number reached since the launch of the programme in September 2022.

Around half of these young people completed our virtual work experience programme, with 43% based in coastal or rural "cold spots" (regions with low social mobility). Of these, 38% were eligible for free school meals and 28% came from ethnic minority backgrounds. The number likely to consider a career in insurance rose from 13% pre programme to 95% afterwards. The Group has started to hire participants into paid roles such as apprenticeships.

Our commitment to social mobility was recognised by the Social Mobility Foundation Employers Index as we rose eight places to 60. The Index measures eight areas of employer-led social mobility including recruitment approach, internal progression opportunities and engagement with young people.

In 2024, the Community Fund donated £50,000 to four new charity partners – Parenting Mental Health, Race Equality Matters, employment support programme charity SPEAR and The Diversity Trust. Each organisation focuses on at least one of the fund's strategic areas, such as increasing minority group inclusion and improving outcomes for social mobility.

Charitable giving

Participating in charity initiatives enhances employees' engagement with the company by fostering a sense of belonging and connection, enabling them to align their professional roles with personal values.

We launched a new volunteering platform, "Neighbourly", in May which provides market-leading data insights and reporting capabilities. It found that 90% of volunteers reported a positive change in their feeling of connection to the Group and 60% upgraded their coaching skills. Our Community & Social Committees continued to help colleagues get involved in community activities and support fundraising ventures.

Colleagues can support good causes in three main ways: 'give as you earn', for which the Group earned a Platinum Payroll Giving Quality Mark Award; community cashback – each individual can apply for £250 to support their volunteering or fundraising activity; and 'Change for Charity' – in 2024 donations deducted from monthly pay went to MIND.

WhizzKidz: through our partnership with the charity devoted to young wheelchair users, we donated £10,000 to children living near our offices. With this partner, we also ran a Disability Awareness Training session for more than 100 colleagues.

Insure Your Future – The Group spearheaded an industry-wide collaboration with five insurers to expand career opportunities in the sector for 500+ students from diverse backgrounds.

Direct Line Group financially contributed to SPEAR programme in London and Leeds to support young people, who may be care-experienced, receiving state welfare, or have a disability or neurodifference, to find ways into employment. We also collaborated with them on their "Hire Me" events to help other students from lower socioeconomic backgrounds to find jobs. The Group's colleagues volunteered to participate in career events, CV support sessions, and mock interviews. We are proud that our investment in SPEAR promotes social mobility in communities local to our offices and aligns to our objective of being an equitable and inclusive employer.

Values in action

As a leading insurer, we conduct research and mount campaigns that tackle societal challenges.

In 2024, Churchill uncovered the shocking statistic that 1,200 children are injured every month in traffic collisions within 500 metres of a school. Film evidence from key locations revealed that 10% of children were using their phones while crossing the road and one in five secondary school pupils were hit or narrowly missed by vehicles whilst using their phones. We launched a campaign – 'Eyes up, screens down' – to highlight the dangers.

On 'Drink Driving', we delivered a campaign to raise awareness of the danger of being over the legal alcohol limit following a wedding. Research revealed that 29% of people have 16 or more drinks at a wedding and one in six admit they could still be over the limit the morning after. The campaign highlighted the time it takes for alcohol to leave the system and urged people to think before getting behind the wheel.

The Group's in-person career insight sessions, held at our offices or delivered by a Group employee, catered for 6,300 young people, of whom 84% were eligible for free school meals and 89% were from ethnic minority backgrounds.

Insure Your Future event: As part of National Careers Week, we brought together several insurance companies to introduce young people (aged 16-20) from diverse backgrounds to a career in insurance. 510 students took part in the business simulation exercise and by the end of the day there was a 27% increase in attendees agreeing that they could see themselves working in insurance.

Bright Futures: Students enhance their teamwork, communication, and commercial awareness during a Insurance Business simulation in London.

Our 2024 tax contribution

In accordance with applicable tax laws and regulations and our responsibilities both as a contributor of corporate taxes and as a collector of taxes on behalf of HMRC, in 2024 the Group's net tax contribution was £1,032.1 million, which includes the Group's direct and indirect taxation.

Our customers	IPT	**£392.1m**
Our suppliers	VAT	**£32.7m**
Our people	PAYE NIC	**£119.6m**
Our operations	Other taxes including business rates	**£10.7m**
	Irrecoverable VAT	**£369.9m**
	Employers NIC	**£52.1m**
Our performance	Corporation Tax	**£55.0m**

HM Treasury

£1,032.1m[1]

Net tax contribution

Society

- Public services
- Healthcare
- Infrastructure
- Welfare
- Education
- Defence

Note:

1. The Group's total tax contribution in 2024, including direct and indirect tax contributions.

Planet

> **"In 2024, 21% of managed suppliers had signed up to SBTi-aligned decarbonisation targets or an equivalent."**

For more information, please see page 54.

Planet

Our strategic focus on climate change aims to reduce our impact on the environment and manage the impact of climate change on our business, playing a part in accelerating the transition to a low-carbon future.

Our climate ambition is to be a Net Zero business across scopes 1, 2 & 3 by 2050. Management's priorities are to decarbonise our most carbon-intensive activities, protect our business from the impact of climate change (see Task Force on Climate-related Financial Disclosures report on pages 58 to 71) and support our customers in the transition to a low-carbon economy.

Science Based Targets

In 2024, we continued to deliver against our five Science-Based Targets ("**SBTs**"), which are aligned to a 1.5°C pathway and were approved by the Science Based Targets initiative ("**SBTi**") in 2022. We plan to continue to drive initiatives to decarbonise our operational and investment emissions.

From 2025, we expect that updated sector guidance from SBTi will enable us to create a new baseline for emissions, expand the scope of our SBTs and further develop the transition plans consistent with our Net Zero ambition.

Our climate ambition

To become a Net Zero business across scope 1, 2 & 3 by 2050

Management priorities

- **Decarbonising our accident repair centres and office estate**
- **Decarbonising our investment portfolio**
- **Engaging our supply chain**
- **Supporting customers in the low carbon transition**
- **Enhancing management of climate-related financial risks and opportunities**

Science-Based Targets to support our ambition

Operational emissions (Scope 1 & 2)

1. Reduce emissions by 46% across our office estate and accident repair centres by 2030[1]

In 2024, we reduced our operational Scope 1 & 2 emissions by 46% compared to 2019

Investment portfolio (Scope 3): Corporate bonds

2. Align our scope 1 & 2 portfolio temperature rating to 2.08°C by 2027

In 2024, the temperature rating of the Scope 1 & 2 portfolio was 2.01°C

3. Align our scope 1, 2 & 3 portfolio temperature rating to 2.31°C by 2027

In 2024, the temperature rating of the Scope 1, 2 & 3 portfolio was 2.31°C

Investment portfolio (Scope 3): Commercial property

4. Reduce emissions from our commercial property portfolio by 58% per square metre by 2030[1]

In 2023, we reduced emissions from our commercial property by 39% per square metre[2]

Investment portfolio (Scope 3): Real estate loans

5. Reduce emissions from our real estate loans portfolio by 58% per square metre by 2030[1]

In 2023, we reduced emissions from our real estate loans by 26% per square metre[2]

Notes:

1. Against a 2019 baseline.
2. Due to the practicalities of obtaining data from our external asset managers ahead of the release of the Group's annual reporting, progress against our commercial property and real estate loan targets is reported with a one-year time lag.

Science-Based Targets

The Group made good progress in 2024 and is on track to deliver against its Science-Based Targets. Last year we reduced our operational Scope 1 & 2 emissions by 5%[1] compared to 2023. This amounts to an overall reduction of 46%[1] against our 2019 baseline, meaning we have delivered against our 2030 target early.

2024 performance | **Progress against targets**

Operational emissions (Scope 1 & 2)

Covering

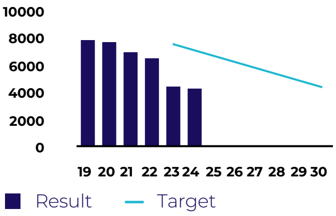
Operational footprint

Our buildings and garage network Including our 23 auto services sites and 13 offices.

Targets

T 1. Reduce emissions by 46% across our offices and accident repair centres by 2030 against the 2019 baseline.

Operational emissions (Scope 1 & 2)



In 2024 we further reduced these emissions by 5%[1] compared to 2023 as we continue to make progress in downsizing and investing in our office estate, electrifying our auto services sites and using alternative fuels in our recovery trucks.

Overall, we have now reduced our Scope 1 and 2 emissions by 46%[1] against our 2019 baseline meaning we have delivered against our 2030 target early. Our work will continue this year and beyond as we look to renegotiate our renewable energy contracts and continue the electrification of our auto services sites.

Investments (Scope 3)

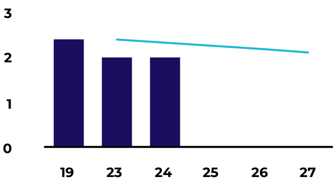
Corporate bonds

The largest asset class in our investment portfolio and typically short-duration holdings.

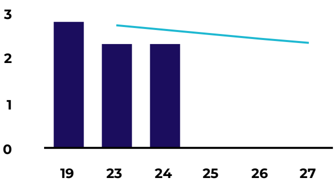
T 2. Align our Scope 1 and 2 corporate bonds portfolio temperature rating to 2.08°C by 2027 from 2.44°C in 2019.

T 3. Align our Scope 1, 2 and 3 portfolio temperature rating to 2.31°C by 2027 from 2.80°C in 2019.

Corporate bonds Scope 1 and 2 temperature rating



Corporate bonds Scope 1, 2 and 3 temperature rating



Our performance in 2024 shows we were successful in reducing the temperature rating of this portfolio to 2.01°C for Scope 1 & 2 against our 2019 baseline of 2.44°C (Target 2) and to 2.31°C for Scope 1, 2 & 3 (Target 3) against our 2019 baseline of 2.8°C. This means we have hit our 2027 targets early, something we have achieved through working with our investment managers and providing them with clear mandates.

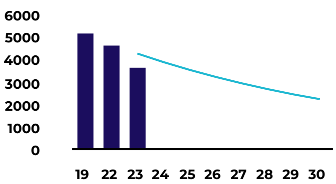
Reductions have been largely driven by an increasing number of investee companies achieving lower temperature ratings by setting ambitious greenhouse gas reduction targets including SBTs. This has helped to lower the aggregate portfolio temperature score.

2023 Performance

Commercial property

T 4. Reduce commercial property emissions by 58% per square metre by 2030 compared to the 2019 baseline of 5,197 tCO_2e.

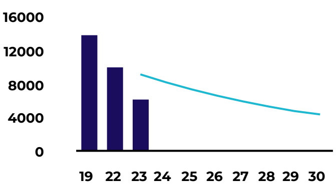
Commercial Property investments



Real estate loans

T 5. Reduce real estate loans emissions by 58% per square metre by 2030 compared to the 2019 baseline of 13,769 tCO_2e.

Real Estates Loans



We are reporting on our 2023 performance for these two assets in this year's report, as there is a lag in the availability of energy performance data from our investment managers ahead of our annual reporting.

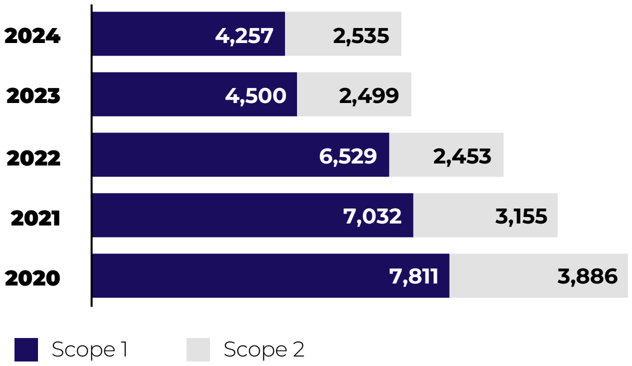
Our performance in 2023 shows we were successful in reducing the Commercial Property investment intensity by 39% against our 2019 baseline of 67 kCO_2e/m^2 and on the real estate loans we reduced our energy intensity by 26% against our 2029 baseline of 81 kCO_2/m^2.

Reductions in emissions were mainly delivered through the implementation of an investment strategy requiring all assets in our property portfolio to have an Energy Performance Certificate of 'D' or better, or a funded plan to achieve that level and engaging with investee companies, tenants and property owners to encourage them to commit to emissions reduction measures.

Note:

1. We are required to use Scope 1 and Scope 2 market-based emissions for SBTi operational target-setting and reporting. When including Scope 2 location-based emissions this reduction is equivalent to a 3% reduction when compared to 2023 and a 53% reduction against the 2019 baseline.

Operational emissions



Overall, when compared to 2023, our Scope 1 and 2 emissions decreased by 3%.

Our Auto Services, comprising 23 accident repair centres and our recovery fleet, makes up over 70% of our operational emissions. In 2024, Scope 1 and 2 emissions associated with our repair centres reduced by 6%, compared with 2023.

We have achieved this through:

- the use of hydrogenated vegetable oil in our accident repair centres as an alternative fuel for our recovery trucks. This initiative has now been implemented at 95% of our repair centres, resulting in an estimated 2,312 tCO_2e saved in 2024;
- installing electrical infrastructure to remove gas from paint spray booths at one of our site, providing an estimated saving of 399 tCO_2e in the year; and
- generated 140,000 kWh of energy from roof mounted solar at one of our DLG Auto Services sites, providing 13% of the total electricity used on-site.

Group energy consumption (kWh)[1,2]

	2024	2023
Electricity	**12,133,434**	11,906,788
Gas	**16,862,562**	19,779,732
Total	**28,995,996**	31,686,520

The Group adheres to the SBTi concept of the "mitigation hierarchy", namely that the Group addresses its value chain emissions and implements strategies to achieve these targets as a priority, ahead of actions or investments to mitigate emissions by using carbon offsets. Working with Climate Impact Partners, we have supported a carbon removal project to Verra Verified Carbon Standard in Uruguay since 2023 to offset our remaining Scope 1 and 2 emissions over a three-year period. The project involves reforestation and a sustainable approach to wood production. The Project is certified by the Forest Stewardship Council(FSC), balancing timber production and sales with habitat creation for wildlife. It provides employment for the local community and enhances biodiversity and carbon sequestration opportunities.

Investments

Emissions from investments make up approximately 70% of our Scope 3 total. Aligned to our climate ambition, our long-term goal is to reach Net Zero across our investment portfolio.

To deliver against our four current SBTs for investments, we have incorporated key climate considerations into our investment strategy. In 2024 we:

- continued to make progress towards meeting our SBTs for GHG emissions reduction for in-scope asset classes;
- reported performance against our SBTs for commercial property and real estate loan portfolios for the first time;
- continued to reduce the carbon intensity of our corporate bond portfolio in line with our goal of a 50% reduction by 2030 from a 2020 baseline; and
- encouraged high emitters to set science-based emissions reduction targets as a signatory to the CDP's science-based targets campaign.

Our investments are underpinned by a wider Environmental, Social and Governance ("**ESG**") framework. We expect all external investment managers to be signatories to the United Nations Principles for Responsible Investment ("**UN PRI**"), ensuring that UN PRI criteria are integrated into the investment process.

Our investment policy:

- excludes any company with a low MSCI low-carbon transition score (indicating assets could be economically stranded);
- excludes companies involved in thermal coal activity, either mining or power generation, at greater than 5% of revenues unless the company is taking positive climate action[3];
- has a preference for investments in green bonds where the risk return characteristics are similar to conventional bonds; and
- requires all assets in our property portfolio to have an Energy Performance Certificate of 'D' or better, or a funded plan to achieve that level.

Looking ahead, our priorities include:

- ensuring Investment Managers are engaging with investee companies, tenants and property owners to encourage them to implement half-hourly metering of their utilities and to set emissions reduction targets;
- setting targets for asset classes not yet covered once standards and methodologies are established;
- monitoring targets for all asset classes based on the latest methodologies and best practice; and
- increasing the coverage across our private asset investments.

For more detail on how we manage climate-related risks and opportunities in our investment portfolio please see page 71.

Notes:

1. 100% of the reported energy consumption relates to operations, all of which are based in the UK.
2. Data is reported in compliance with the Streamlined Energy and Carbon Reporting ("SECR") requirements (see page 72).
3. Companies taking positive climate action are defined as those that are committed to setting Science-Based Targets or have a 2°C or better carbon performance alignment from the transition pathway initiative.

Supply chain

Emissions from our supply chain make up approximately 30% of our Scope 3 emissions, highlighting the importance of engaging with our suppliers to achieve our climate ambition. Our Supply Chain Sustainability Programme is embedded in our approach to responsible procurement. The focus of this programme is twofold:

- engagement with our Tier 1 suppliers to keep them updated on the Group's climate commitments and practices, and to obtain information on their appetite for and approach to emissions reduction and target-setting; and
- embedding sustainability considerations into supply chain decisions, processes and management.

During 2024 we increased the sustainability weighting for contracts over a million pounds, which means that 10% of the criteria relate to sustainability-related criteria. In addition to measuring supply chain emissions, we monitor the effectiveness of our engagement strategy. In 2024, 86% of the managed supply base that we reached out to responded positively to our direction of travel on emissions reduction. By the end of the year, 21% of managed suppliers had signed up to SBTi-aligned targets or an equivalent.

Looking ahead, our priorities include creating a new baseline for our supply chain emissions, updating the emissions reduction target and moving to more accurate emissions measurement methodologies.

Biodiversity

We continue to monitor our nature-related dependencies, impacts, risks and opportunities as part of the wider integration of ESG factors into our Group risk framework. While our immediate strategic priority is to manage climate-related risks, we recognise that conserving and restoring nature is essential to limit emissions and adapt to climate change. This includes nature's role in storing carbon and providing natural defences against extreme weather events.

We are involved in various UK initiatives, including supporting the Get Nature Positive movement formed by the Council for Sustainable Business and supported by Defra. Incorporating biodiversity into specific business activities, in 2024 we continued to fund a tree-planting project in a flood prevention scheme in Yorkshire, replacing trees we removed when home insurance policyholders make subsidence claims.

Working with nature recovery charity Heal Rewilding, we provided a loan in 2023 to acquire a 460-acre site in Bruton, Somerset, where rewilding is in progress and wildlife is flourishing. Over the last year, Heal Rewilding made major progress in its work to rebuild wildlife populations, tackle climate change and support people's well-being. Surveys of birds found 67 species, including 11 red-listed and 16 amber-listed, with the breeding populations of some red-listed birds faring unexpectedly well, including linnet, tree pipit and yellowhammer. The baseline survey for invertebrates found unexpectedly high abundance of common species, a key finding because they are a vital food source for birds, mammals, reptiles and amphibians. The year also saw a significant expansion of community engagement work at the site, with nearly 300 free visits by people with additional needs, dementia and mental health challenges, young adults with life challenges, and disadvantaged families, and free visits by schoolchildren and young apprentices.

While our immediate strategic priority is to manage climate-related risks, we recognise that conserving and restoring nature is essential to limit emissions and adapt to climate change.

Governance

"Our shared values shape the Group's culture and conduct in pursuit of the Group's purpose. These guiding principles help colleagues to work together effectively, make good decisions and deliver for our customers."

Governance and responsible business

Pursuing excellence in corporate governance and maintaining the highest standards of business conduct are fundamental to building a long-term, sustainable business. Our Corporate Governance report, including the work of our Customer and Sustainability Committee, can be found on pages 75 to 141. This section drills down into the governance framework and approach that drive alignment of responsibility and sustainability aims with business goals, in line with the Group's risk framework.

Ethical business and professional conduct

Our shared values shape the Group's culture and conduct in pursuit of the Group's purpose. These guiding principles help colleagues to work together effectively, make good decisions and deliver for our customers. Our Group Code of Conduct sets out the high standards of behaviour that we expect. Key areas covered include combatting discrimination, harassment and bullying, treating customers and suppliers fairly, diversity and inclusion, fair competition and contributing to society.

Aligned to the Group risk framework, the Code is supplemented by detailed policies and guidance that raise awareness of financial crime and set out action to combat it. Anti-bribery and corruption, anti-money laundering, terrorist financing, fraud prevention and sanctions are covered. This seeks to ensure that we can protect our business and customers from financial harm as well as fulfilling regulatory and legal responsibilities.

As part of our annual e-learning programme, colleagues completed training on ethics and regulatory policy, including compulsory assessment elements. In 2024, we enhanced this programme by including new scenario-based examples and additional content in relation to timeliness of logging gifts & hospitality requests and 97% of colleagues completed modules on anti-bribery and corruption. The Group's whistleblowing policy supports these standards and helps promote a culture of openness. Anyone can raise concerns with managers or utilise the services of an independent third party including a confidential telephone helpline.

Group policies and statements are available publicly at www.directlinegroup.co.uk/en/sustainability/reports-policies-and-statements

Responsible procurement

As an extension of our business it is important that our Suppliers embody our values and standards just as we have a responsibility to treat them fairly and respectfully. This helps to build long-term positive relationships that best serve our customers and society. This approach is encapsulated in our Ethical Code for Suppliers. The Code sets out our expectations in areas such as human rights, labour standards, environment and governance. It requires adherence to International Labour Organisation ("**ILO**") standards, which include a ban on the use of child labour and forced or bonded labour.

Having rolled out a refreshed Code in 2023, all managed suppliers were required to confirm their acceptance of it and encouraged to ensure their supply chains also adhered to the principles. Our Supplier Management and Outsourcing Policy has processes in place to ensure we maintain high standards, which include:

- supplier segmentation based on factors such as value, expenditure and risk exposures;
- supplier assurance and oversight
- rigorous due diligence when onboarding new suppliers; and
- open and transparent sourcing including assessment of potential new suppliers against criteria that cover environmental, social and governance factors.

These processes are reviewed on an annual basis to ensure they remain aligned with potential exposures faced by the business. For more information on how we are embedding environmental sustainability through our supply chain, please see page 54. We expect managed suppliers to provide assurances of compliance with the Modern Slavery Act through a published statement (where applicable). The procurement process includes an annual review of our modern slavery risk, annual training, due diligence on new suppliers and active assurance and management of existing suppliers. Further detail on our approach and adherence to the Act can be found in our latest Modern Slavery Statement.

Data ethics and privacy

At Direct Line Group, enriching our data and making effective use of technologies such as artificial intelligence ("**AI**") and machine learning are crucial to our strategy to become the customers' insurer of choice. They enable us to better meet customer needs and upgrade their digital experience, for example, by increasing pricing accuracy and providing best-in-class claims management.

The need for customers to trust the way we use their data is paramount. This means using their data ethically while we perform our day-to-day jobs. Our Data Ethics Principles sit at the heart of a holistic framework, establishing the values to which colleagues must adhere and driving fairness, transparency and accountability.

Data Ethics Principles

1. Respect the person behind the data.
2. Ethics will be designed into data processes and solutions from the outset.
3. Understand and document the purpose for any data collected, used and/or shared.
4. Comply with applicable laws and regulations in connection with data, its collection and use.
5. Understand the limitations and quality of the data we use and how this may impact the decisions we make.
6. Actively pursue a fair, explainable and transparent approach to algorithmic and statistical decision-making.
7. Ensure accountability and appropriate governance for any automated decision process.
8. Provide appropriate guidance and training to support and encourage responsible data use.

We have implemented an extensive control framework to manage privacy and security risks and meet our responsibilities under data protection legislation, following regulatory and industry standards and guidance. Governance forums ensure privacy and security considerations receive high levels of visibility. All businesses within the Group are required to meet the standards set out in the framework and provide evidence of compliance with UK GDPR obligations. All colleagues and contractors receive annual training on data protection and security responsibilities.

During 2024, we enhanced our approach to data privacy and security by implementing several key initiatives. These included the introduction of privacy enhancing technologies ("**PETs**") to protect personal data, improving our data anonymisation and pseudonymisation processes, and strengthening our accountability and governance frameworks. We also focused on ensuring compliance with data protection laws through comprehensive training and awareness programs, and by updating our internal controls and risk assessments to address new technological developments and regulatory requirements.

Please see our online Group Data Privacy Policy for more information on our privacy framework, privacy and security programmes, and governance.

External ratings, memberships and benchmarks

We actively support a variety of membership organisations, and disclose information to ratings and benchmarking authorities, as well as receive ESG performance ratings.

ESG ratings

MSCI
In 2024, we received a rating of AAA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment

MSCI ESG Rating
AAA

Sustainalytics[1]
In 2024, we received an ESG Risk Rating of 22.2 and were assessed by Sustainalytics to be at a medium level of risk.[2,3]

ESG Risk Rating
22.2

Ecovadis
We were awarded a silver medal in 2024

Ecovadis
Silver medal

Carbon Disclosure Project
We were awarded a B score for the 2024 assessment.

CDP score
B

Planet

Science Based Targets initiative
In 2024, we continue to make good progress towards our Science-Based Targets, (Targets were approved in November 2022)

Race to Zero
As part of our Race to Zero pledge, we have signed the Business Ambition for 1.5°C

Get Nature Positive
We are a supporter of the Get Nature Positive campaign, focused on restoring nature and biodiversity

People

Inclusive top 50 employers
We ranked 12th on the Inclusive Top 50 UK Employers List 2023/24

Social Mobility Pledge
We support the Social Mobility Pledge and have focused on helping students with their careers through our Community Fund

Women in Finance
We are a signatory to HM Treasury's Women in Finance Charter

Race at Work Charter
We support the Race at Work Charter to take positive action towards supporting ethnic minority representation and inclusion

The Faith & Belief Forum
We are a signatory of the Charter for Faith & Belief Inclusion which aims to help create understanding between people of different faiths and beliefs and a society which is fair to people of all backgrounds – religious and non-religious

Notes:

1. (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.
2. Assessed to be at a medium level of risk of experiencing material financial impacts from ESG factors.
3. Copyright © 2024 Morningstar Sustainalytics. All rights reserved. This section contains information developed by Sustainalytics.

Task Force on Climate-related Financial Disclosures

Introduction

The Group's 2024 disclosure against the Recommendations and Recommended Disclosures of the Task Force on Climate-related Financial Disclosures ("**TCFD**") reflects our ongoing work to further integrate climate risk management across the business, while also outlining the progress we are making against our climate ambitions, including our Science-Based Targets.

We continue to assess and develop our disclosures against the Recommendations and Recommended Disclosures of the TCFD and recognise its importance in evolving our understanding and management of the risks and opportunities associated with climate change.

The Group, as at the time of publication, has complied with the requirements of UK Listing Rule 6.6.6R(8) by including climate-related financial disclosures consistent with 9 of the 11 TCFD Recommendations and Recommended Disclosures for all sectors ('Section C Guidance for All Sectors'), including the supplemental guidance for insurance companies ('Section D Supplemental Guidance for the Financial Sector') within the 2021 TCFD Annex.

The Group has reported against all 11 Recommended Disclosures and believes its disclosure against 9 of the 11 Recommendations meets the objectives of the TCFD framework, with further detail regarding the two remaining Recommendations explained below.

For Metrics and Targets disclosure Recommendations (a) and (b), which includes sector-specific guidance for insurance companies, we continue to work towards developing our disclosure against the relevant components of these two Recommendations, as outlined below.

Metrics and Targets disclosure Recommendation (a):

– to provide additional metrics, including cross-industry metrics, within our disclosure to support measurement and management of climate-related transition risks and opportunities; and
– to describe the extent to which our insurance underwriting activities, where relevant, are aligned with a well below 2°C scenario.

Metrics and Targets disclosure Recommendation (b):

– to disclose, where data and methodologies allow, the weighted average carbon intensity or GHG emissions associated with commercial property and specialty lines of business.

The Group expects its disclosure against these to evolve over time, with improving alignment to these forming part of the actions embedded within our climate-related risk management roadmap. For Recommendation (b), above, whilst we continue to review emerging best practice, at present, we do not believe available methodologies allow meaningful measurement of these metrics for small commercial property portfolios. See page 70.

Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022

The climate-related financial disclosures made by the Group, within the following pages, comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022. The Non-Financial and Sustainability Information Statement, on page 45, outlines where disclosure against each of these requirements can be found.

International Sustainability Standard Board's ("ISSB") IFRS S1 and IFRS S2

The Group notes the ISSB's Sustainability Disclosure Standards, IFRS S1 and S2, issued in 2023, and welcomes the value the Standards will have in evolving the global baseline for climate-related reporting. The Standards are currently subject to UK endorsement.

Governance

Our approach

The Group's approach to the governance of its sustainability strategy is underpinned by a clear commitment from the Board and senior management to align sustainability goals with the Group's strategy, and to encourage accountability across the business.

Our five-pillar sustainability strategy (see page 44), endorsed by the Board, aims to foster the highest standard of Environmental, Social and Governance practice and deliver long-term sustainability for all our stakeholders. The Planet pillar takes the lead on climate-related issues.

Boards and Committees

The potential and actual impact of climate change on the business ("**inbound**"), as well as the Group's impact on the environment ("**outbound**"), are issues requiring robust governance to empower business areas in the management of climate-related risks and opportunities.

It starts with the Group's Board, which seeks to underpin all of the Group's activities with the highest standards of corporate governance. The Board has oversight on two key aspects of the Group's approach:

– Each year, the Board assesses the strategic plan (the "**Plan**") in conjunction with the Group's Own Risk and Solvency Assessment ("**ORSA**"), which considers material risks to the Plan, including climate change-related risks. More information on climate change and our financial planning can be found on page 60.
– The Board oversees the Group's sustainability activity through its Committees, which scrutinise and provide appropriate challenge on the Group's five pillar sustainability strategy, including the establishment and monitoring of Science-Based Targets and the Group's development of a climate-related risk management roadmap (see page 59). The Chair of each Committee reports to the Board after each Committee meeting.

Committees

– The **Audit Committee** meets a minimum of four times a year and is responsible for overseeing the Group's financial statements and non-financial disclosures, including climate-related financial disclosures.
– The **Board Risk Committee** oversees financial, regulatory compliance, conduct and operational risk, including the risk to the Group from climate change. It meets a minimum of four times a year and receives reports on stress testing of long-term climate change scenarios, discusses strategies for managing the associated risks and receives updates on emerging risks throughout the year, with deep dives as appropriate. During the year, the Committee played a key role in monitoring the Group's climate-related risk management roadmap and identifying areas of opportunity for improvement.
– The **Investment Committee** meets a minimum of three times a year and considers the strategy for incorporating ESG factors into the Group's investment management, which has seen our credit portfolios tilted towards issuers with a low carbon transition category.

- The **Nomination and Governance Committee** meets a minimum of two times a year, monitoring the Board's overall structure, size, composition and balance of skills. This Committee is also responsible for monitoring the Group's observance of corporate governance best practice.
- The **Customer and Sustainability Committee** receives updates on progress made under our Customer, People, Society, Planet and Governance pillars. The Committee meets a minimum of four times a year. During 2024, it has reviewed progress against the Group's Science-Based Targets, approved by the Science Based Targets initiative ("**SBTi**") in 2022; and reviewed performance and approach on key stakeholder matters, along with the Group's participation in various sustainability-related initiatives. The Committee continues to monitor the Group's progress towards its Net Zero aims.
- The **Remuneration Committee** meets a minimum of four times a year and considers how executive remuneration can be used to drive progress on climate-related matters. An emissions metric has been applied to long-term incentive plan ("**LTIP**") awards made since 2022 and makes up a 10% weighting of the total award made under the LTIP. The emissions performance condition includes a targeted reduction in emissions and temperature score and is based on the Science-Based Targets that were approved by the SBTi in 2022.

More information on the structure of the Board and Board Committees can be found within the Corporate Governance report on page 94.

Management's role

There are three primary management roles designed to oversee the delivery of the Group's assessment and management of climate-related matters:

- the Chief Executive Officer ("**CEO**") has oversight of overall climate-related matters;
- the Chief Financial Officer ("**CFO**") oversees the implementation of the Group's investment strategy and is advised by the Investment Committee on the application of ESG weightings, including those related to climate change, to the relevant portfolios. The CFO is a member of the Investment Committee and the Director of Investment and Capital Management is a regular attendee. The CFO also oversees the identification and management of climate-related financial risk; and
- the Chief Risk Officer ("**CRO**") provides subject matter advice, challenge and objective opinions on all risk matters, including climate-related risk, through their oversight of the Risk Function. The CRO is also tasked with establishing appropriate risk management processes and frameworks for climate-related risks.

Further information relating to our climate risk identification process can found on page 67.

In the year, the Group's **Climate Executive Steering Group** ("**CESG**" or the "**Steering Group**") acted as a management forum to assess the potential impacts of climate change on the business, along with the business's impact on the environment. The CESG consisted of members representing various teams across the organisation, which included senior management representation, and supported the Customer and Sustainability Committee's oversight of the Group's progress against its climate ambitions.

The Steering Group's responsibilities also included monitoring the Group's performance against its climate ambitions, including its Science-Based Targets, and overseeing input into the Group's business development and strategic processes to make sure climate is given appropriate consideration in long term strategy and planning. This included the identification and oversight of climate-related opportunities.

In 2024, tracking and management of the financial aspects of climate risk management activities, as identified in the Group's climate-related risk management roadmap, transferred from the CESG to the Risk Management Committee and Board Risk Committee. Regular updates are provided to support their oversight of climate-related risk.

The roadmap sets out a range of actions to further integrate climate risk management across the business and to build additional capabilities in areas such as climate risk modelling and scenario analysis.

A Climate Risk Workshop meets monthly with representation across the business including Risk, Finance and Sustainability. During 2024, it received updates relating to enhancements to the risk management framework and climate scenario testing capabilities.

Further information relating to the processes by which management are informed about climate-related issues can be found on page 67. More information on the key performance indicators used to assess, monitor and manage climate-related risks and opportunities can be found on pages 68 to 71.

Strategy

The effects associated with climate change are far reaching and have the potential to cause significant economic and societal impact. We know that through the actions we take as a business we can contribute to a more sustainable future and as an insurer with over 8.8 million in-force policies[1], we recognise our role in supporting – and accelerating – the transition to a low-carbon economy.

Our strategy focuses on mitigating against, and adapting to, climate change. This involves driving change across our underwriting activities, our operations and our investments, and includes the actions we are taking to progress against our Science-Based Targets and Net Zero ambitions.

The following pages examine this strategy alongside the actual and potential impacts of climate change on the Group, in line with the TCFD Recommendations and Recommended Disclosures, and outline how we continue to develop our approach to climate-related risks and opportunities across the business.

Note:

1. Based on the Group's ongoing operations. See glossary on pages 238 to 241 for definitions.

Climate change risks and opportunities

The potential impacts of climate change on organisations are classified into the following three categories by the TCFD:

- **physical risks** – resulting from the physical effects of climate change;
- **transition risks** – resulting from the transition to a lower-carbon economy; and
- **opportunities** – arising from efforts to mitigate and adapt to climate change.

We also recognise that litigation risk, which includes risks arising when parties who have suffered losses from climate change seek to recover them from those they believe may have been responsible, could also cause adverse impact. This could include direct climate-related litigation against the Group or insurance risk arising from the underwriting of liability products. The Group considers the risks associated with this to be low due to low exposure in high-risk industry sectors. Following the sale of the Brokered commercial business in 2023 we expect our exposure to liability insurance risk to reduce further as the retained back book for this business continues to run off over time.

Materiality

A greater level of estimation and assumption is required when assessing materiality in the context of climate change and this, combined with the longer term and forward-looking nature of climate-related risks and opportunities, makes the assessment inherently uncertain. As a result, we have chosen not to quantify a materiality threshold for the purposes of our climate-related financial disclosures.

Our approach to determine where information is material is supported by quantitative assessment, such as the findings of our scenario analysis activities where we consider the potential financial impact of climate change over the longer term. Our approach means we disclose relevant information that focuses on the areas of our business that could be most affected by climate change, which we identify as our underwriting activities, our operations and our approach to investments. The key physical and transition risks and opportunities that could impact these areas are outlined on page 64.

We will continue to review emerging best practice associated with assessing climate-related materiality and we expect this to evolve over time. More information on our current approach to measuring the impact of climate-related risk, and the integration of climate change into the Group's overall risk management processes, can be found below and on page 67.

Defining the short, medium and long-term time horizons

As in previous years, our approach to defining the time horizons associated with climate-related risks and opportunities is to align closely with the scenarios considered in the Group's quantitative analysis of climate-related risk, which typically considers scenarios that span over a significantly longer time period (see page 61).

When defining the time horizons, the useful life of assets was considered. However, the Group's assets are primarily depreciated or amortised over a period of up to 15 years. As such, from a climate-related risk perspective, this falls into our short-term, and lower end of our medium-term, time horizon and therefore climate-related risk is not a significant input into determining asset useful economic lives.

The time horizons over which specific climate-related issues will manifest themselves vary significantly. However, in general, transition risks are likely to materialise more rapidly than physical risks, which are likely to be gradual and materialise over the longer term. The timing of climate-related litigation risk is less certain due to the nature of the exposure.

The key physical and transition risks and opportunities that could significantly impact the Group, as well as the time horizons over which they could manifest, is available further into our disclosure on pages 64 to 66.

Financial planning, performance and position

Without appropriate management, the risks posed by climate change could adversely impact the Group's financial performance and financial position.

To help quantify the potential impact of climate change we:

- perform scenario analysis, which enhances our understanding of the financial risks associated with the longer-term impacts of climate change and provides an indication of strategic resilience (see pages 61 to 63);
- undertake climate risk modelling to assess the most predominant physical drivers of risk in our property insurance products, enabling us to evaluate the potential impact to the Group's capital position (see pages 67 to 68); and
- integrate climate risk into the Group's overall approach to risk management. This includes measuring the relative significance of climate-related risks to other risks in the Group Risk Taxonomy (see page 67).

Financial planning

We acknowledge that limitations exist in aligning climate change and financial planning. A key issue relates to the modelling of the impact of climate change, which typically extends out to a significantly longer time period than our current financial plan.

Although limitations and uncertainties associated with the longer-term impacts of climate change exist, we continue to embed climate-related considerations into our planning.

This includes within the Group's Plan, which reflects the strategic planning that is ongoing across the business and covers any climate-related initiatives that are embedded within. These include the costs associated with the actions we are taking to reduce the carbon footprint of our accident repair centres, and the use of reinsurance in our property insurance business, acknowledging that the cost to obtain catastrophe reinsurance could be impacted by an increase in the frequency and severity of major weather events.

We also monitor losses from major weather events, which include inland and coastal flooding, storm surge, freeze events and subsidence. We use sophisticated modelling techniques to estimate the expected losses from event weather in our property book to set an annual expectation for event weather-related claims. The impact of major weather relative to this annual expectation for 2024 can be found within Metrics and Targets on page 69.

Financial performance and position

In preparing the financial statements, the Group has assessed the impact of climate change. While the risks associated with climate change remain uncertain looking forwards, the impact of event weather is reflected in the Group's historical performance and position as at 31 December 2024. The potential impact of climate change on insurance risk is also discussed in further detail within note 1 to the consolidated financial statements (see page 176).

Areas of physical and transition risks the Group could be exposed to are outlined in the table on page 64. The financial impact of these risks can, if realised, be grouped broadly into the following:

- Adverse impacts to revenue and market share due to a failure to understand, and adapt to, the scale of change in market demand for products and services due to climate-related policy, technology and consumer preference.
- Increased climate-related operating costs and capital expenditure due to the investments we make to progress against our emission reduction targets, or higher operating costs due to carbon cost increases or regulatory requirements designed to limit carbon emissions.
- Changes in the value of our financial investments due to the influence of physical and transition risk impacting the wider economy.
- An increase in the frequency and severity of natural catastrophes and other weather-related events adversely impacting insurance liabilities.

We also recognise that our access to capital can be materially affected by factors including, but not limited to, financial performance and investment decisions, which have their own associated climate-related risks. In addition, our performance is assessed externally by ESG rating agencies, to which investors and other stakeholders are giving increasing prominence. Adverse impacts to our debt rating could negatively affect cost and access to sources of debt finance and subsequent interest rates.

In our approach to acquisitions and divestments, any climate-related risks and opportunities are expected to form part of our usual due diligence process.

Scenario analysis

The Group uses scenario analysis to better understand the potential impacts climate change could have on our business model and strategy.

Since 2021, we have updated our scenario stress testing annually, evolving our approach to take account of changes in our exposure, updates to our underlying risk models, leverage new software, and to further enhance how we communicate the outputs of our modelling in an effective way. Our analysis focuses on the impact that transition and physical risks could have on investment asset values and on liabilities associated with weather-related perils.

Our stress tests have been designed around Intergovernmental Panel on Climate Change ("**IPCC**") pathways that project both socio-economic changes and greenhouse gas concentrations into the future. This allows us to assess the combined potential impacts of transition and physical risks on our business. The IPCC's scenarios are globally recognised and standardised, facilitating consistent and comparable stress testing aligned with a wide variety of impact assessment studies.

Specifically, we considered SSP2 ("**Middle of the Road**"), in combination with RCP4.5 ("**SSP2-4.5**"), and SSP5 ("**Fossil-fuelled Development**"), in combination with RCP8.5 ("**SSP5-8.5**"), focusing on two future points in time for our stress testing:

- 2030, to support our understanding of the potential impacts on our business strategy; and
- 2050, to support our understanding of the potential impacts on our long-term business model.

The choice of the SSP2-4.5 pathway represents a useful baseline for understanding climate change impacts in terms of physical risk, while incorporating the transition risk associated with some reduction in emissions. The choice of the SSP5-8.5 pathway allows us to understand the effects of a severe but realistic outcome in terms of physical risk. A scenario such as this would see over 2^{o}C of global warming, which is seen as a critical threshold with irreversible and far-reaching consequences for the physical environment. The choice of scenarios and timelines are sufficient to explore a wide range of potential outcomes due to climate change, which can be expanded upon in future by the consideration of additional pathways.

Across both considered scenarios, increased temperatures mean that the mid-Atlantic atmosphere can hold more moisture, leading to more extreme rainfall events and flooding in the UK. Sea levels will rise, although not uniformly, which would increase the severity of coastal flooding events. The scenarios also consider that there will be more frequent and intense droughts. Drought conditions can lead to the drying and shrinking of clay soils, which are prevalent in many parts of the UK, leading to increased subsidence.

Our modelling approach

Different methods are used to quantify the impact of the scenarios on our investment assets and weather-related liabilities.

We use a specialised third-party software tool as the basis for stress tests on our investment portfolio. The tool enables a transition risk adjusted valuation and a physical climate adjusted valuation to understand the financial impact of the scenarios on individual securities and the overall portfolio. It uses a bottom-up approach that considers individual companies and geolocation in assessing the potential impact for a portfolio.

For estimating the impact of climate change on liabilities due to flood and windstorm, we use third-party catastrophe modelling software. This aligns with the approach for quantifying catastrophe risk on our current portfolio. Custom adjustments are applied to these models for each chosen scenario and time horizon, reflecting changes in severe flood frequency and the impact of sea level rise on coastal flooding.

This approach allows us to quantify changes in average annual losses by peril, as well as changes in the size of extreme losses, such as a 1 in 100-year loss, for example. All scenarios are applied to our current exposures to ensure focus of the stress test remains on climate change specific impacts. The windstorm and flood impact assessments are updated quarterly for portfolio exposure changes, and form part of our regular catastrophe risk reporting.

For estimating the impact on subsidence, we extrapolate published analyses from the British Geological Survey to estimate the impact on average annual losses.

Summary of results

2050 time horizon

Under the Middle of the Road pathway, climate policies are implemented at a moderate pace and whilst there is progress towards sustainable development goals, it is uneven and slow. Technological development proceeds without fundamental breakthroughs and there is a gradual shift towards cleaner technologies while fossil fuel dependency decreases slowly. The necessity for policy changes under this scenario leads to transition risks that affect carbon-intensive industries and property portfolios.

The impact observed on our asset portfolio under this scenario was a small decrease in the value of assets under management, estimated at less than a 1% impact. In this scenario, transition risks dominate, particularly for the commercial property asset class which makes up only a small portion of our overall portfolio. The impact is further limited due to the mix of our portfolio, which is heavy in liquid assets such as cash, gilts, and publicly traded debt, and has negligible exposure to carbon-intensive industries.

From a physical risk perspective the scenario aligns to an approximate 1.8°C temperature rise above pre-industrial levels by 2050. For the UK, this is expected to lead to increases in precipitation and flooding, though to a lesser degree when compared to the Fossil-fuelled Development scenario. Sea levels under the Middle of the Road scenario rise by over 20cm, on average.

Under the Fossil-fuelled Development pathway, economic growth is driven by intensive use of fossil fuels with minimal effort to mitigate climate change. As such, there are fewer transition risks due to fewer changes in policy or the economy. The consequence is that greenhouse gas concentrations and global average temperatures would continue to rise, reaching an estimated 2.5°C above pre-industrial levels by 2050. This would lead to far greater physical risks with much more extremes in temperature and precipitation for the UK.

The impact on the valuation of our investment portfolio is much smaller under this scenario compared with SSP2-4.5 because of the lower transition risk. However, we still observe reductions in asset values due to the increased physical risk, particularly in the publicly traded credit asset class where more extreme weather events could potentially lead to operational disruptions and asset devaluation for these companies.

Catastrophe modelling results for both scenarios at the 2050 time horizon showed increases in average annual losses from both inland flooding and the coastal flooding element of windstorm. This includes a significant increase in predicted inland flood losses of 30% under the SSP2-4.5 scenario and over 65% for the SSP5-8.5 scenario, with the increases observed in coastal flooding of 51% and 70%, respectively.

Under both scenarios, the higher weather-related losses are further increased when including subsidence, where average annual losses would grow by over 30% in the SSP2-4.5 scenario. Under the SSP5-8.5 scenario, subsidence risk would be more pronounced.

The following graph shows the impact of the scenarios on the average annual losses for three weather-related perils. The results illustrate the magnitude of impact from the scenarios compared with the base case, and the relative importance of each peril on the overall loss. Within the results, the windstorm peril includes the associated losses from both wind damage and coastal flooding.

The graph highlights that, whilst inland flood and subsidence showed the strongest sensitivity to climate change, windstorm continues to dominate the combined loss.

Although we observed an increase in average annual losses across all perils, when the results are viewed in the context of the combined modelled weather losses, the impact from climate change is less pronounced as most of the combined losses are from windstorm, and in particular the wind damage element of this peril. Under our modelling for the scenarios, windstorms see only a small increase in losses, which is due to the impact of sea level rise on coastal flooding.

Average annual losses by peril

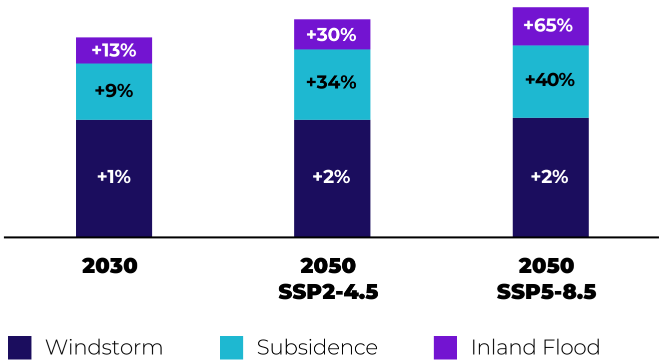


Figure 1: Average annual losses by peril under both scenarios and time horizons. Numbers within the bars represents the change in peril-specific losses compared to the base. The 2030 result reflects the similar impact under both the SSP2-4.5 and SSP5-8.5 scenarios.

There is significant uncertainty associated with how climate change may affect UK windstorms and in previous iterations, we incorporated the results of studies showing that climate change may suppress the occurrence of large storms. However, other studies argue that windstorms may become more extreme and, as such, we have chosen to exclude the former, more optimistic view, from our most recent modelling. Going forward, we seek to enhance our understanding of the science and how we can better incorporate this uncertainty into our stress testing.

2030 time horizon

At the 2030 time horizon, under both scenarios, the effects of climate change are expected to be more benign compared to 2050, both in terms of physical and transition risk.

The focus on the 2030 time horizon continues to be valuable due to its direct relevance with the Group's five-year Strategic Plan. Given that we observed limited impact on the investment asset values at 2050, the associated impact at the 2030 time horizon was not examined in detail.

In terms of physical risk, by 2030 there are no material differences between the two scenarios and both see an approximate increase in temperatures of around 1.4°C against a pre-industrial average. Based on climate models, this could lead to an increase in flood and subsidence risk, which in turn would result in an increase to the amount of capital the Group needed to hold to meet these additional liabilities.

We continue to keep track of scientific literature and maintain in-house expertise to further support our understanding of new scientific developments relating to peak flood risk.

Business impact

The increase in losses from weather-related perils could result in a material increase in budgeted loss for weather, as well as to the cost of reinsurance and capital.

Under both scenarios, the combined increase in weather-related losses would need to be addressed through a combination of measures including pricing and underwriting action, increased reinsurance coverage, and investment in other mitigation measures. This is deemed a manageable change for the business given that weather-related losses are only a small component of the Group's overall expected losses. This is further supported by the ability to reprice policies annually.

Losses under the scenarios at the 2050 time horizon, with our current reinsurance in place, would be higher than our current appetite for catastrophe risk. However, changes to capital requirements at a Group level are mitigated by diversification from parts of the business less sensitive to climate change risk, and the estimated potential impact on capital requirements could be mitigated further by additional reinsurance cover. This assumes that reinsurance markets would still continue to offer the coverage and terms that are offered today, although we acknowledge that heightened global catastrophe activity could increase the cost of obtaining reinsurance. In future stress and scenario work, we intend to address the cost of reinsurance more explicitly in our modelling.

Overall, the short-term nature of the business and the ability to reprice annually help limit the impact on general insurance liabilities, while reinsurance arrangements also provide further risk mitigation. Nevertheless, the scenarios highlight that the increased physical effects of climate change could make some policies and perils either uninsurable or unaffordable.

Reverse stress test – electric vehicle adoption

In 2023, we conducted a reverse stress test to establish whether the long-term future for motor insurance, specifically, the adoption of electric vehicles, poses a threat to the viability of our current business model. While not commonly covered by transition risk scenarios, changes in consumer behaviour form a significant part of the transition to a net zero emissions economy.

Whilst this exercise has not been updated in 2024, the overall conclusions outlined below remain relevant as in the short term, re-running the reverse stress test is unlikely to produce materially different results.

For the short term time period, that covered to the end of 2025, the findings showed that there are only minor differences between the scenario impacts, with more significant movements unfolding over a longer timeframe. Over the longer term, the results varied considerably across the different scenarios and included possible adverse impacts to the Group's business model or market share. Conversely, at the favourable end of the range, the findings represented a possible growth opportunity. The analysis also identified that the outcomes are sensitive to assumptions which are largely outside of the Group's control, such as the rate of adoption of electric vehicles in the UK, which is supported by changes in technology and policy designed to limit carbon emissions.

The analysis supports our assessment of transition risk and highlighted the importance of enhancing capabilities, particularly around the Group's ability to identify and respond to the emerging electric vehicle and mobility landscape. More information on how we are evolving our strategic response to the adoption of electric vehicles can be found on page 65.

Key assumptions

In formulating scenarios to stress test key sensitivities of our current business model we acknowledge there are limitations in the assumptions used, particularly relating to the longer-term 2050 time horizon.

For example, the scenarios used do not take into account:

- the Group's long-term commitments within its investment strategy, including the ambition of holding a net zero emissions investment portfolio by 2050, which could result in lower transition risk (see pages 66 and 71); and
- the expiry of the Flood Re scheme in 2039. The ceding of peak flood risk is a part of our current business strategy and we have therefore assumed ceding would be available in the 2050 scenarios. This implies that either Flood Re would be extended, or that an alternative private market reinsurance solution would exist.

Additionally, whilst we have used credible scientific data to build our scenarios, we recognise considerable uncertainty and diverse opinions exist in relation to how climate change will affect extreme weather in the UK. This provides incentive for critically assessing the scenario design on a regular basis and for considering alternate scenarios in future modelling, such as more extreme windstorms, for example.

We plan for the scenarios to expand and evolve over time which includes continuing to challenge our assumptions. The scenario design is iterative, as we learn how climate change may affect our specific risk profile, while also allowing us to focus on the aspects of the business most likely to be materially impacted by the effects of climate change.

Management actions

The findings from our analyses continue to highlight the importance of the Group's existing Management Action Framework, which includes a range of actions that could mitigate against the risks identified through our climate-related modelling.

Considering the level of impacts that we have observed as part of our modelling, we have identified a number of management actions that would be effective to mitigate these risks and respond to new opportunities.

Our Management Action Framework consists of three broad categories based on the purpose and nature of the action:

- **Contingent Management Actions** – These follow the Group's existing Contingent Management Actions framework and would be deployed to mitigate the scenario impacts, assuming these arise as instantaneous shocks on the balance sheet; potential action could include restricting capital distributions, for example.
- **Pre-emptive Management Actions** – These have been developed assuming that the business can observe the scenarios unfolding in real time and begin to adapt the business model in response to these emerging impacts; they cover areas such as repricing, de-risking of investments and reinsurance.
- **Strategic Management Actions** – These actions are aligned to the Group's ongoing strategic activity as part of our contribution to the transition to a lower-carbon economy. They include: taking action to progress against our Net Zero ambitions and Science-Based Targets; understanding how we can support in improving the flood resilience of UK properties in flood-prone areas; and evaluating the impact of climate change on our underwriting footprint, which includes through scenario modelling.

Our strategic response

Developing our understanding and management of climate-related risks, while seeking out opportunities that may arise from efforts to mitigate and adapt to climate change, are important aspects for maintaining the longer-term resilience of our strategy.

Our approach continues to focus on driving change across key areas of our business: our underwriting activities; our operations; and our approach to investments. The actions we are taking across these areas are considered in turn on pages 65 and 66.

In the following table, we outline the key physical and transition risks and opportunities that could significantly impact these areas and include the time horizons over which we believe these could become manifest. Additional focus on the operating segments that could be most affected by climate change can be found on page 65. More information on how we define the time horizons used can be found on page 60.

Category	Description	Examples of potential impact on the Group	Time horizon	Key area of impact
Physical risks	**Acute** – event driven risks such as flooding and storm surge.	An increase in the frequency and severity of natural catastrophes and other weather-related events could adversely impact insurance liabilities, particularly those from our property insurance products.	S M L	U
	Chronic – longer-term shifts in climate patterns, such as a continued rise in average temperatures, changes in, and extreme variability of, precipitation and weather patterns and rising sea levels.	Disruption to our direct operations, which could include damage to our estate, impacting our ability to serve customers.	S M L	O
		Chronic risks could lead to significant changes in our underwriting criteria to maintain risk appetite, and/or higher costs to obtain catastrophe reinsurance to protect us against an accumulation of claims arising from a natural perils event.	M L	U
		Reduced returns from investments in companies whose operations are impacted by physical climate risks, and real asset investments directly impacted by physical climate risks.	S M L	I
Transition risks	Risks arising from the transition to a lower-carbon economy.	A failure to understand the scale of change in market demand for products and services due to climate-related policy, technology and consumer preference could impact revenue and market share. This could include risks from the transition to electric-powered vehicles, for example.	S M	U O
	These are categorised by the TCFD as:	Costs associated with the transition to a lower-carbon economy may increase over time and the adoption of new lower emission technologies may be unsuccessful.	S M	O
	– policy and legal risks; – technology risks; – market risks; and – reputational risks.	Insufficient progress against our net zero ambitions could cause stakeholder concern and reputational damage.	S M L	U I O
		Reduced returns from investments in high carbon intensity companies that are not taking action to transition to a low carbon economy, and real asset investments that are not compatible with the transition to a low carbon economy.	S M L	I
Opportunities	Efforts to mitigate and adapt to climate change can also produce commercial opportunities. These could allow us to help accelerate the transition and continue contributing to a sustainable economy.	Accelerating the speed of transition to a lower-carbon economy by, for example, supporting the move to greener transport solutions, particularly electric-powered cars, allows us to develop new insights and capabilities to help us build insurance solutions that best meet our customers' evolving needs.	S M	U
		Investment in energy-efficient features and equipment across our office estate and accident repair centres could save on energy consumption and operating costs, reduce our footprint and improve operational and resource efficiencies.	S M L	O
		Potentially enhance risk-adjusted returns from our investments by aligning the investment portfolio with the transition to a low carbon economy whilst also enhancing our reputation as a responsible investor. Ensuring the investment portfolio is resilient against the physical effects of climate change.	S M L	I

S Short-term (1 – 10 years)	M Medium-term (10 – 30 years)	L Long-term (30 years +)
U Underwriting	I Investments	O Operations

Underwriting

Property

The physical risks from climate change are most likely to manifest themselves as an insurance risk on our property insurance products, where we protect millions of our customers' properties against weather events, such as flooding and windstorms.

These natural catastrophes, and other weather-related events in the UK, are key drivers in the Group's solvency capital requirements and we recognise that climate change could cause the frequency and severity of these events to increase.

The short-term nature of the business we underwrite, the ability to re-price annually, and the risk mitigation provided by reinsurance arrangements are all important factors in how we manage our exposure. In addition, we further limit our exposure by making use of Flood Re to cede high flood risk residential properties.

In the second half of 2024, we deployed a new pricing and underwriting engine across our Home business. This is expected to provide further agility enabling us to increase the frequency with which we refresh our view of underwriting risk.

Despite this, we acknowledge that, in general, the physical risks from climate change are likely to intensify over the longer-term. To assess the effects of this, we perform scenario analysis to measure the potential impact of climate change on our insurance liabilities over a time horizon spanning over 25 years. This analysis helps us to quantify the financial implications of physical risk under different possible future climate scenarios, with the outputs providing an indication of the Group's resilience.

The analysis provides a framework to understand and assess the potential future risks associated with climate change in greater detail and the findings aid our strategic planning. This has included the development of our Strategic Management Actions (see page 63), which span across business areas and include actions such as engaging with policymakers on the importance of flood defences in the UK to protect properties located in flood-prone areas.

The potential impacts observed on the business under these scenarios, as well as the contingent and pre-emptive management actions which could be deployed to mitigate against the risks identified, can be found on page 63. These actions cover areas such as pricing, de-risking of investments and reinsurance.

Motor

Being a large personal motor insurer, the move to electric-powered vehicles is particularly pertinent to the Group and, supported by changes in technology and policy, the speed of transition to electric continues to increase. Whilst this presents new challenges, we also recognise this as an opportunity to support the move to a lower-carbon economy, through the insurance products we offer.

In recent years, our products have expanded to support our Motor customers who are making the switch to electric, for example our car insurance includes battery, home charging and charging cables cover.

We have also entered into new strategic partnerships which can help grow our data on electric vehicles, such as with Motability Operations from September 2023. We expect the number of electric vehicles we insure to increase over the course of the partnership, driving both scale and insight through our accident repair centres.

We are also building further capabilities in our repair centres, where an increasing number of our technicians are now accredited in repairing electric vehicles, supporting the development of insight into the future of vehicle technology and repair.

During 2023, we performed a reverse stress test to assess how the adoption of electric vehicles could impact the Group's business model, which considered a range of variables across three time periods and scenarios.

Operations

We continue to take action to ensure we are operating in a sustainable way, recognising this not only supports the planet, but is also a part of how we can mitigate against the potential climate risks that could cause disruption to our operations.

To date, this has included investing in our estate to integrate new energy-efficient features and equipment, launching a carbon reduction strategy in our network of accident repair centres and since 2014, purchasing the electricity for all our offices and accident repair centres from renewable sources.

Science-Based Targets

We aim to become a Net Zero business by 2050 and this includes our direct operations. Our Science-Based Targets were approved by the SBTi in 2022 and are aligned to a 1.5°C pathway, meaning we have ambitious carbon reduction plans which support our journey towards Net Zero.

For our direct operations, we are aiming for a 46% reduction in absolute Scope 1 and 2 emissions from our office estate and accident repair centres by 2030, from a 2019 baseline. Reporting against this target can be found within Metrics and Targets on page 70 and on page 52.

Operational emissions

The steps we have taken in recent years mean we understand where the most carbon-intensive areas of our operations are, allowing us to prioritise carbon reduction activity across these areas in support of our targets. Our 23 accident repair centres remain a key area of focus and we continue to embed a range of solutions as part our carbon reduction strategy, with this work being led by colleagues in the Auto Services Sustainability Programme. More information on what we have achieved in 2024 as part of the Programme can be found on page 53.

Emissions reporting

We calculate and report our GHG emissions annually and our most recent carbon emissions reporting can be found on page 73. In recognition of our hybrid operating model (where people work from home at least part of the time), since 2021 our reporting has also included emissions from homeworking. Further disclosure on the progress we have made in reducing our operational footprint to date can be found within Metrics and Targets on page 70.

Carbon offsetting

Our aim is to become less reliant on carbon offsetting and, although our journey to net zero emissions continues to gain momentum, we acknowledge that it will take time to facilitate the transition. For this reason, we offset our remaining Scope 1 and 2 emissions, with this achieved in 2024 through carbon removal credits. More information can be found on page 53.

Supply chain

The Group has an established Supply Chain Sustainability Programme, recognising the importance of engaging with our suppliers to achieve our climate ambition. During the year, work has included increasing the weighting of sustainability factors in our sourcing processes.

Further information on the activities undertaken in the year as part of our Supply Chain Sustainability Programme can be found on page 54 and the Scope 3 GHG emissions from our supply chain are reported on page 73.

Investments

We have been integrating more ESG considerations into our investment strategy over a number of years, recognising this is a long-term process which will require assessment and challenge to inform future decision making.

We know that the impacts of potential physical and transition climate-related risks arising in the wider economy will have an impact on our investment portfolio, through their influence on the value of assets. For example, our portfolio is exposed to physical risks through our investment in companies that are exposed to disruption from adverse weather events across their supply chain. It is also exposed to transition risks, where companies that we are invested in are not adapting their strategy to a low-carbon future. However, the transition to a low-carbon economy also creates significant investment opportunities.

We have the long-term goal of our entire investment portfolio being net zero emissions by 2050 and in support of our aims we continue to implement key climate initiatives into our investment strategy. During 2024, we:

- continued to work towards meeting our approved Science-Based Targets for GHG emissions reduction for in scope asset classes; and
- continued to reduce the carbon intensity of our corporate bond portfolio in line with our aim of a 50% reduction by 2030 from a 2020 base year.

The actions detailed above form part of the ongoing development of the wider ESG framework underpinning investments. In terms of holding investments in other companies, those with higher reported ESG credentials have more sustainable practices which better align to our investment, environmental and social goals. As such, for our investment-grade corporate bond portfolios, we require the MSCI ESG rating of the portfolio to be at least as high as the corresponding ESG weighted reference index or benchmark.

Science-Based Targets

In support of our long-term goal of ensuring our entire investment portfolio is net zero emissions by 2050, in line with the aims of the Race to Zero campaign, we set four science-based GHG emission reduction targets in our investment portfolio.

Approved by the SBTi in 2022, the targets cover corporate bonds, commercial property and real estate loans which, as at the end of 2024, covered 70% of assets under management.

More information on the targets, and our 2024 reporting against them, can be found within Metrics and Targets on page 71 and on page 52.

Looking through the climate lens, we also have in place the following current initiatives:

- Thermal coal screen whereby we restrict investment in firms generating more than 5% of revenues from either thermal coal mining or thermal coal power production unless the company is taking positive climate action[1].
- We actively encourage our investment managers to invest in green bonds. Green bonds are designated bonds intended to encourage sustainability and to support climate-related or other environmental projects. All our relevant corporate bond mandate guidelines now direct the portfolio manager to purchase a green bond where the risk return characteristics are similar to those of a comparable non-green bond.
- Within our investment property portfolio all assets must have an Energy Performance Certificate of 'D' or better, or a plan and funds in place to achieve that level. The property portfolio also has a tailored set of ESG targets covering areas such as carbon, energy, water and waste.

We also use climate scenario modelling to support our assessment of the impact climate change could have on the investment portfolio. This analysis enables us to measure and quantify the potential financial impact of climate-related physical and transition risk on our investments, while also providing a better understanding of the opportunities that may arise from a transition to a lower-carbon economy to inform our strategic planning.

The potential impacts observed on the investment portfolio under these scenarios can be found on pages 61 to 63.

Using our influence

We aim to use our influence to drive wider change. For example, our investment managers are signed up to the UN Principles for Responsible Investment. We also talk regularly to our external asset managers to understand (and where necessary, challenge) how they are using their global presence, size and leverage to engage and encourage corporations to tackle climate change.

Note:

1. Companies taking positive climate action are defined as those that are committed to setting Science-Based Targets or have a 2°C or better carbon performance alignment from the transition pathway initiative.

Risk Management

Our Risk Management Framework

The Risk Management Framework sets out, at a high level, the Group's approach to setting risk strategy, and managing risks to the strategic objectives and day-to-day operations of the business. The Risk Management Framework is designed to manage the Group's risk proactively and to enable dynamic risk-based decision making. This includes clear accountabilities and risk ownership designed to ensure that we identify, manage, mitigate and report on all key risks and controls, and is governed through the three lines of defence model.

Further information can be found in the Risk management section of the Strategic report on pages 38 and 39.

Risk taxonomy

The Group recognises that the effects of climate change are wide-ranging, with uncertain and extended time-horizons, and that a strategic approach to managing the risks from climate change is required. The Group reflects the effects of climate change in the drivers of those risks which are defined in the Group Risk Taxonomy. This embeds the management of climate-related risks in the normal risk management processes for managing risks across the Group's risk profile.

During 2024, the Group enhanced the coverage of climate-related risk within its policies and minimum controls standards for the financial risks considered to be most materially impacted by climate change. Materiality was assessed through SME judgement.

Risk impact

The impacts of all risks, events and action plans are rated using the Impact Classification Matrix which facilitates a consistent approach to the sizing and categorisation of risk across the Group by using Financial, Regulatory, Customer, Reputation, Operational disruptions and Economic, Social and Governance factors (including Climate Change) inputs. This includes those risks relating to climate change, including climate-related litigation risks, and allows the Group to determine the relative significance of climate-related risks in relation to other risks.

Climate-related risk identification process

Annual risk identification process

Each year, the business is required to review all current and developing risks which could impact on the achievement of strategic objectives. This process includes assessing the Group risk drivers, such as those due to climate change, and their potential impact and likelihood of risk crystallisation on both an inherent and residual basis, in addition to identifying the position which aligns with risk appetite. The risk drivers are assessed at the sub-level most appropriate for the risk, for example at a product level for insurance risk or business unit level for certain operational risks.

We also use a variety of indicators across our product segments to assess, monitor and manage climate-related risks. A number of these key metrics can be found on pages 68 to 71. Additionally, scenario analysis is used to quantify the potential impact climate change could have on the business across the short and longer term, see pages 61 to 63.

Regulatory monitoring

The Group monitors and reviews relevant outputs from the FCA, the PRA, and His Majesty's Treasury, to consider existing and emerging regulatory requirements.

During 2024, this included reviewing:

- the Bank of England's bulletin on measuring climate-related financial risks using scenario analysis;
- the Climate Financial Risk Forum's guides on three areas of climate risk: nature-related risk; use cases of short-term scenarios; and mobilising adaptation finance to build resilience;
- the FCA's finalised guidance on the anti-greenwashing rule; and
- the FCA's temporary measures for firms on 'naming and marketing' sustainability rules.

We continue to monitor future developments. Reviews are summarised and distributed to relevant stakeholders, and, where necessary, responses are coordinated and overseen by Second Line of Defence subject matter experts.

Emerging risk process

In addition to the annual risk review process, the Group has in place an emerging risks process which facilitates the identification, management and monitoring of new or developing risks which are difficult to quantify or are highly uncertain. The Group records emerging risks within an Emerging Risk Register. Updates on emerging risk and the actions being taken to address them are presented to the Risk Management Committee and the Board Risk Committee regularly, supplemented by deep dives on selected emerging risks.

Climate change, including climate-related physical and transition risk, is one of the Group's most prominent emerging risks. In the year, oversight was provided by the Climate Executive Steering Group and the Climate Risk Workshop, consisting of First Line of Defence subject matter experts from around the business where the impact of climate change is the highest, in addition to Second Line of Defence subject matter experts who provide oversight and challenge of risk management activity relating to this.

Both physical and transition risks could manifest themselves through a range of existing financial and non-financial risks, including insurance, market, operational and strategic risks. For more information on emerging risk and climate change see page 43.

Climate risk modelling

The risk to the Group's capital from extreme weather event losses is modelled, monitored, and reported internally on a quarterly basis. The largest loss potential comes from UK windstorms or floods, which are explicitly modelled within the Internal Economic Capital Model, along with less significant perils such as freeze and subsidence.

The Group uses vendor catastrophe models to quantify wind and flood risk for its in-force portfolio. These models are regularly reviewed to ensure they reflect the latest scientific understanding. Part of this review explicitly considers whether climate change has materially altered the underlying risk assessment within these models compared to historical observations. This task is managed by the Capital Management Function.

A warming climate is likely to lead to increased flooding from more frequent extreme rainfall events, and sea level rise will increase the risk of coastal flooding. This informs an evolving underwriting strategy for ceding peak flood risk to Flood Re, which incorporates the modelled view of risk.

Nearly all policies are of twelve months' duration and when renewed are priced using advanced rating engines that incorporate location-specific parameters for weather-related risk. These rating engines include catastrophe risk to ensure that pricing is adequate for potential extreme events not in the historic record. Underlying algorithms are constantly reviewed against claims data to seek to ensure adequate pricing. As climate change affects loss patterns and catastrophic risk evolves, our prices will adjust accordingly.

The Group mitigates its exposure to large catastrophic weather events through catastrophe excess of loss reinsurance.

This reinsurance covers property (Personal Lines and Commercial Direct) and motor physical damage losses. It provides significant capital benefits by transferring volatility from low-frequency, high-severity natural peril events away from the Group. The reinsurance coverage purchased is based on catastrophe modelling, capital analysis, the Group's risk appetite, cost of cover, and the overall impact on the income statement. Typically, cover is purchased with an upper limit equivalent to a 200-year modelled loss.

Metrics and Targets

We use a variety of key performance indicators across the different lines of our business to assess, monitor and manage climate-related risks and opportunities. In the table below, we summarise the key metrics used across the three areas of activity, as identified earlier in our disclosure: our underwriting activities; our operations; and our approach to investments. Further detail on these, and our targets, can be found within the pages that follow. Where the Group believes that the values associated with certain metrics are commercially sensitive these values have not been disclosed.

Area	Metric	Description	Category	Page
Underwriting	Total weather-related loss impact	Track actual performance against our an annual expectations for event weather-related claims and monitor the impact of claims associated with severe weather on the Group's net insurance margin.	Physical risk	69
	Flooding	Monitor our market share for risks to be deemed in the high- or very high-risk segments and track the volume and proportion of policies we are ceding to Flood Re.	Physical risk	69
	Electric vehicles	Monitor the number and proportion of electric vehicle policies we underwrite and track the number of new electric vehicles registered in the UK.	Transition risk and opportunities	70
Operations	Operational emissions	Calculate and report our operational emissions (Scope 1 and 2), to monitor progress towards our science-based operational emissions target.	Physical risk and transition risk	52, 70 and 73
	Measuring progress within our repair centres	Quarterly oversight of: – GHG emissions and gas consumption metrics associated with vehicle repair; – the delivery of carbon reduction plans; and – opportunities for innovating and using new solutions within repair centres, in support of plans and targets.	Physical risk, transition risk and opportunities	70 and 71
Investments	Investment portfolio emissions	Measure and report the temperature score of our corporate bond portfolio, and GHG emissions from commercial property and real estate loans, to track progress against our science-based investment targets to ensure we are delivering against our aims.	Physical risk and transition risk	52, 71 and 73

The Group has also disclosed a number of materially relevant metrics consistent with the cross-industry categories recommended by the TCFD. These include:

- **GHG emissions:** our Scope 1, 2 and 3 emissions and emissions intensity metric reporting can be found on page 73.
- **Remuneration:** our LTIP awards have an emissions performance condition which covers the targeted reductions in emissions and temperature scores that form part of our Science-Based Targets. More information can be found in the Directors' Remuneration Report from pages 115 to 141.
- **Physical risks:** the results of our scenario analysis activities, which assesses the potential impact of climate-related physical risk on the value of insurance liabilities, can be found on pages 61 to 63. Analysis of the actual impact of severe weather claims can be found on the following page.
- **Transition risks:** the results of our scenario analysis activities, which assesses the potential impact of climate-related transition risk on the value of investment assets, can be found on pages 61 to 63. These pages also include the results of a reverse stress test, undertaken in 2023, to assess how the the transition to electric vehicles could impact the Group's business model, including both risks and opportunities.

We continue to assess how we incorporate additional metrics into our disclosures, including those used to enhance the measurement and management of transition risks and opportunities, and expect this to evolve over time. In 2025, actions to explore disclosure of additional metrics, which could also support further development of the Group's transition plan, have been embedded within our climate-related risk management roadmap.

Underwriting

Weather-related loss impact

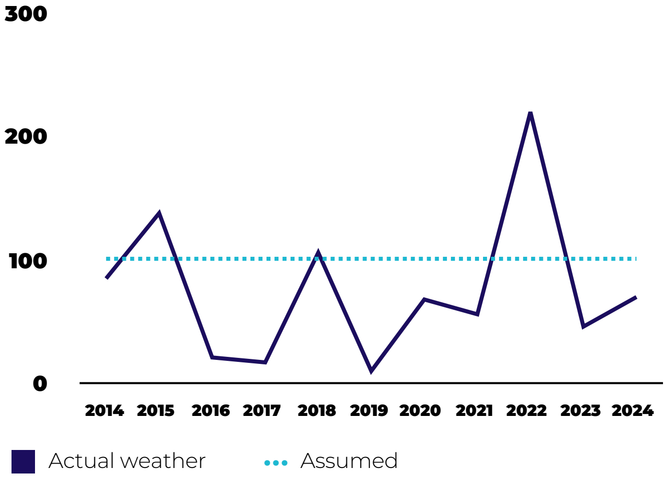
The predominant direct physical drivers of catastrophe weather risk from a capital perspective are major UK floods and windstorms. The last peak of windstorm activity was in the late 1980s and early 1990s; the last decade being particularly benign in comparison. By contrast, flood has seen more elevated activity.

Catastrophe reinsurance is purchased annually to protect against event losses greater than £100 million (see page 33). Use of the Flood Re scheme also helps mitigate against the highest individual residential flood risks.

The cost of claims relating to event weather can found within the management view statement of profit or loss (see page 247).

Severe weather claims[1] (actual % of expected loss)

The Group uses sophisticated modelling techniques to estimate the expected losses from severe weather events and uses these to set an annual expectation for major weather-related claims.

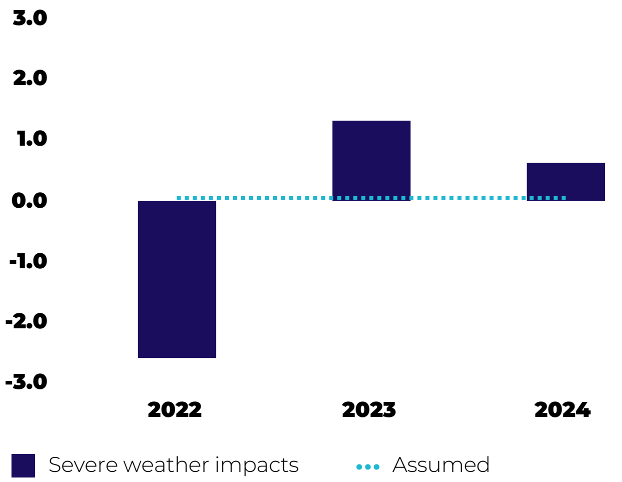


The graph above shows the impact of event weather claims relative to this annual expectation. In 2024, claims associated with severe weather were below our 2024 event weather assumption, which is set at 100% in the graph.

As shown in the graph, the trends are reflective of relatively benign activity, although there is significant variability.

In 2022, claims from weather-related events were more than double our annual assumption following three significant storms in Q1, a rise in subsidence claims from extremely high temperatures in the summer and the December freeze event. The 2018 peak was driven by the 'Beast from the East' freeze event and the 2015 peak was a result of a number of weather events in December, which caused severe flooding across the UK.

Impact of severe weather on net insurance margin[1, 2] (pt)



Both these graphs reflect the number of major weather events in the year that the Group responded to. The frequency and severity of extreme weather events could be affected by climate change, which in turn will affect our view of risk, how we price severe weather risk, and the type and level of reinsurance we purchase to protect our balance sheet.

Home

Key risk indicators are produced by the Underwriting Function and reviewed monthly through relevant business forums.

The key climate change-related activities are flood, subsidence and other weather incidents. For flood and subsidence perils, we monitor the Group's market share for risks deemed to be in the high- or very high-risk segments. We also monitor and review the proportion of policies ceded to Flood Re. Each peril is monitored against set tolerances, with movements in amber or red ratings generating investigation and action as required.

We maintain a view of trends and look to take action where a trend is likely to result in a breach of tolerance.

Flooding

Governments have been working with insurers since 2000 to help make flood risk insurance more affordable and in 2016 Flood Re was introduced. Every insurer that offers home insurance in the UK, the Group included, must pay into the Flood Re scheme and this levy is used to cover the flood risks in home insurance policies.

To ensure the Group and its customers benefit from the levy and guard against the highest of flood risks, we monitor the volume and proportion of policies we are ceding to Flood Re. Properties are eligible to be ceded to Flood Re when they meet certain criteria.

Notes:

1. Data used within this analysis is based on the Group's ongoing operations. See glossary on pages 238 to 241 for definitions.
2. Following adoption of IFRS 17, analysis for periods prior to 2022 is not available. For historic reporting, see previous publications, including page 83 of the 2022 Annual Report and Accounts.

Motor

The Group's motor market is diversified throughout the UK, and although weather-related factors will influence claims frequency it is a relatively small influence compared with other factors, such as used car prices.

In the year, in order to track the transition towards electric vehicles we monitored both the number and proportion of policies we underwrite for these types of vehicles as well as the number of electric vehicles and alternatively fuelled vehicles registered in the UK. This supports us in estimating our market share and helps inform our electric vehicle strategy.

Progress against the supplemental guidance for insurance companies

The Group believes that its disclosure against certain components of the sector-specific guidance, within Metrics and Targets Recommendations (a) and (b), does not meet the objectives of the TCFD.

Below, we outline the activities we have undertaken during the year to improve our disclosure against these areas in future reporting, as well as the activities planned in future years.

The extent to which insurance underwriting activities, where relevant, are aligned with a well below 2.0°C scenario

The Group recognises that measuring underwriting emissions remains a developing area, with the frameworks and methodologies to support insurers in calculating these emissions continuing to evolve. An area of limitation that is particularly pertinent to personal lines and small commercial business insurers is the practicalities of obtaining data with sufficient accuracy and reliability to determine the emissions associated with these portfolios.

The Group has embedded plans to further assess its disclosures relating to underwriting emissions through its climate-related risk management roadmap. Actions that are currently embedded include continuing to review issued guidance related to measuring and reporting underwriting emissions as this guidance evolves, in order to further inform the Group's approach.

The weighted average carbon intensity or GHG emissions associated with commercial property and specialty lines of business, where data and methodologies allow

Following the sale of our Brokered commercial business in 2023, we expect our underwriting exposure to commercial property lines to significantly reduce as the retained back book for this business continues to run off over time.

We continue to remain active in the direct small business commercial insurance market, which includes providing insurance for small commercial properties, however, we view our exposure to carbon intensive sectors through these underwriting activities to be low, due to the type and size of the businesses we insure.

Whilst we will continue to review emerging best practice, at present, we do not believe available methodologies have sufficient maturity to meaningfully measure the weighted average carbon intensity or GHG emissions associated with small business commercial property lines. For example, current frameworks recommend collecting emissions data from companies' own disclosures or official filings, or use of physical or economic activity data, to determine emissions associated with commercial lines portfolios. Such recommendations are not currently pragmatic for insurers with small commercial business customers, such as the Group.

The Group does not underwrite any specialty lines of business.

Operational

We calculate and report our operational GHG emissions annually. Our most recent reporting can be found on page 73 where we continue to break out our Scope 1 and Scope 2 emissions into separate performance figures across our office sites and accident repair centres. We also disclose our Scope 3 footprint, which includes emissions from our supply chain.

Science-Based Targets

In support of our net zero ambitions, we have set five Science-Based Targets, in line with a 1.5°C pathway, focused on the most carbon intensive areas of our business, one of which covers our operational emissions. These targets were approved by the SBTi in 2022.

Scope	Target	2024 update
Operational	We target reducing absolute Scope 1 and 2 GHG emissions by 46% by 2030 from a 2019 base year.	As at the end of 2024, absolute Scope 1 and 2 GHG emissions reduced by 46%[1], from a 2019 base year.

Our 2024 reporting shows a 46%[1] reduction in Scope 1 and 2 emissions, when compared to the 2019 baseline, meaning we have achieved our 2030 target early. This reflects the actions we have taken in recent years, which has included reducing our office footprint, investing in our estate to integrate more energy-efficient features and equipment and the carbon reduction initiatives we are implementing across our network of accident repair centres.

More information on our Science-Based Targets, including the actions we have taken against them and our future priorities, can be found on page 52.

Operational emissions performance

Overall, when compared to 2023, our Scope 1 and 2 GHG emissions decreased by 3%. A summary of the movements in the year can be found on page 73.

Auto Services Sustainability Programme

Our Auto Services Sustainability Governance Forum oversees the activity that forms part of the Auto Services Sustainability Programme. The Forum oversees progress against the activities to deliver towards the carbon reduction strategy within our accident repair centres and tracks key Programme milestones.

Note:

1. We are required to use Scope 1 and Scope 2 market-based emissions for SBTi operational target setting and reporting. When including Scope 2 location-based emissions this reduction is equivalent to a 53% reduction.

This includes monitoring the delivery and performance against GHG emissions reduction targets, where metrics, such as gas consumption and emissions associated with vehicle repair, are tracked. Scope 1 and 2 emissions from our accident repair centres are reported on page 73.

The Forum also assesses the risks that could impact the delivery or prioritisation of planned activity, coordinating the actions required to mitigate against these. It also considers metrics relating to opportunities from innovating and using new solutions in support of plans and targets, such as assessing the feasibility and benefits of adopting new lower emission technologies or equipment in repair centre sites.

Supply chain

While we wait for the publication of the Science-Based Net Zero Targets for Financial Institutions from the SBTi, which is now expected in 2025, we have chosen to set an internal emissions reduction target for our supply chain. This target forms part of our Supply Chain Sustainability Programme (see page 54.

Investments

In 2018, the SBTi launched a project to help financial institutions align their lending and investment portfolios with the ambitions of the Race to Zero campaign. The project audience includes universal banks, pension funds, insurance companies and public financial institutions.

Science-Based Targets

Our long-term goal is for our entire investment portfolio to be net zero emissions by 2050, in line with the aims of the Race to Zero campaign. To support this, we have set Science-Based Targets for our investment portfolio covering corporate bonds, commercial property and real estate loans, these were approved by the SBTi in 2022. As at the end of 2024 our investment portfolio targets covered 70% of AUM.

Asset Class	Target	2024 update
Corporate bonds	Align the Scope 1 and 2 portfolio temperature score by invested value from 2.44°C in 2019 to 2.08°C by 2027.	As at the end of 2024, the Scope 1 and 2 portfolio temperature score by invested value was 2.01°C.
	Align the Scope 1, 2 and 3 portfolio temperature score by invested value from 2.80°C in 2019 to 2.31°C by 2027.	As at the end of 2024, the Scope 1, 2 and 3 portfolio temperature score by invested value was 2.31°C.
Commercial property	Reduce GHG emissions by 58% per square metre by 2030 from a 2019 base year.	As at the end of 2023, GHG emissions reduced by 39% from a 2019 base year[1].
Real estate loans	Reduce GHG emissions by 58% per square metre by 2030 from a 2019 base year.	As at the end of 2023, GHG emissions reduced by 26% from a 2019 base year[1].

Further details on the emissions from our investments are reported on page 73.

The temperature score for corporate bonds is the implied level of warming above pre-industrial levels to which our portfolio is aligned based on the CDP's temperature rating data set. For an individual company the temperature rating is the level of warming to which a company's publicly stated emission reduction targets align. The targets are set on a linear pathway for the portfolio to reach 1.5°C by 2040 as is required by the SBTi.

We aim to achieve our corporate bond target by directing investment to companies with lower temperature scores as these are the ones taking most serious action to reduce emissions. We will also expect our external investment managers to engage with portfolio companies to encourage them to act by setting robust emissions reduction targets. We also continue to target an interim 50% reduction in weighted average carbon intensity by 2030 from a 2020 base year for corporate bonds in order to seek to ensure emissions are reducing over time.

Carbon intensity is the GHG emissions intensity per $1 million of sales. Normalising by sales allows the investor to compare carbon efficiency of different-sized firms within the same industry and has become a standard metric used in the investment industry.

For commercial property and real estate loans, targets were set using the SBTi sectoral decarbonisation approach for real estate which uses the IEA ETP 2017 Beyond 2°C scenario. Emissions for real estate relate to the energy use of buildings which is largely emissions from electricity and heating use. Work towards our real estate targets will require improving the energy efficiency of buildings, engaging with tenants to share energy use data and encouraging them to set their own emissions reduction targets.

More information on our Science-Based Targets, including the actions we have taken in the year against them and our future priorities, can be found on page 52.

Note:

1. Due to the practicalities of obtaining data from our external asset managers ahead of the release of the Group's annual reporting, progress against our commercial property and real estate loan targets is reported with a one-year time lag.

Streamlined Energy and Carbon Reporting ("SECR") regulations

The following table highlights where information can be found that supports the requirement to disclose how the Group manages its energy consumption and carbon emissions.

Requirement	Page
Annual global GHG emissions (CO_2e):	
– from activities for which the Company is responsible	73
– from buying electricity, heat, steam or cooling by the Group for its own use	73
Annual global energy consumption in kWh, being the aggregate of:	
– energy consumed from activities for which the Company is responsible	53
– energy consumed resulting from buying electricity, heat, steam or cooling by the Group for its own use	53
The proportion of GHG emissions and energy consumed relating to the UK and offshore area[1,2]	72, 73
Methodology used to calculate emissions and energy consumption	72
At least one intensity metric in relation to emissions	73
Description of energy efficiency actions taken	53

Notes:

1. The offshore area is broadly defined as the sea adjacent to the UK, including the territorial sea, plus the sea in any designated area under section 1(7) of the Continental Shelf Act 1964 and section 41(3) of the Marine and Coastal Access Act 2009.
2. 100% of the Group's GHG emissions and energy consumption reported relates to operations, all of which are based in the UK.

Greenhouse gas emissions

The Group's annual GHG emissions reporting is provided on the following page which includes a summary outlining our performance in the year. More information relating to the progress we are making against our Science-Based Targets can be found on page 52.

Definitions

Scope 1: This covers direct emissions from owned or controlled sources. For example, our office sites throughout the UK using gas boilers, the paint booths in our auto services sites currently relying on gas powered processes, and our fleet vehicles.

Scope 2: These are indirect emissions. They are emissions associated with the production and transmission of energy we eventually use as a company across our office and auto services sites. For example, the production of the electricity we buy to heat and cool our buildings generates emissions.

Scope 3: These are indirect emissions that occur in our investments and the value chain to support our company operations. For example, employee commuting, activities related to the disposal of waste, and the goods and services we purchase to fulfil customer claims as part of our supply chain.

Reporting methodology

We apply the relevant greenhouse gas reporting requirements contained within Schedule 7, Part 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and apply the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) to calculate our emissions, which includes emissions associated with electricity consumption. We use the operational control method to define the boundary for consolidating GHG emissions.

Our carbon emissions are calculated by an external third party and reviewed internally. The calculation method used for our 2024 emissions reporting remains consistent with prior periods and with the reporting standards stated above. For our 2024 reporting, the emission factors that were used in the calculation of purchased goods and services emissions were updated to EORA 26 emission factors to remain in line with best practice. Our 2023 reporting has been represented accordingly.

Emissions data is reported in compliance with the SECR requirements to disclose annual global GHG emissions. 100% of the emissions reported relate to our operations, all of which are based in the UK.

Scope 3 emissions

The GHG Protocol defines Scope 3 emissions as all other indirect emissions that occur in a company's value chain. These include Scope 3, Category 1: Purchased Goods and Services (or 'supply chain') and Scope 3, Category 15: Investments (or 'financed emissions'). Estimates necessarily have to be made regarding Scope 3 emissions as the information is not available across all Scope 3 emissions sources, such as underlying suppliers, for example.

In estimating the emissions from our supply chain, we use the GHG Protocol's spend-based approach. This involves using supplier spend data and multiplying these values by a relevant emissions factor to estimate the amount of emissions associated with purchased goods or services.

We have applied the Partnership for Carbon Accounting Financials ("**PCAF**") methodology to calculate emissions associated with our investment activities, in line with industry best practice. We have included our corporate bonds, commercial property and real estate loans within our financed emissions calculations.

Due to the practicalities of obtaining data from our external asset managers ahead of the release of the Group's annual reporting, investment emissions from commercial property and real estate loans are reported with a one-year time lag.

Our Net Zero ambition

We aim to become a Net Zero business across all scopes by 2050, with external near-term targets and plans that cover our operational emissions (Scope 1 and 2) and our investments. At present, we have not set an external target for our supply chain emissions while we await the publication of the Financial Institutions Net-Zero Standard from the SBTi, which is now expected in 2025. For more information on our Supply Chain Sustainability Programme, please see page 54.

Group greenhouse gas emissions (tCO_2e)

	2024		2023		2022		2019 (Baseline)	
Scope 1								
Office sites	**858**		671		1,023		1,418	
DLG Auto Services	**3,399**		3,829		5,506		6,506	
Total (tCO_2e)	**4,257**		4,500		6,529		7,924	
Scope 2								
	Location-based	**Market-based[1]**	Location-based	Market-based[1]	Location-based	Market-based[1]	Location-based	Market-based[1]
Office sites[2]	**622**	**23**	659	16	1,089	0	4,516	0
DLG Auto Services	**1,890**	**0**	1,824	0	1,364	0	2,093	0
Total (tCO_2e)	**2,535**		2,499		2,453		6,609	
Total Scope 1 and 2 (tCO_2e)	**6,792**		6,999		8,982		14,533	
Of which: Office sites (tCO_2e)	**1,503**		1,346		2,112		5,934	
Of which: DLG Auto Services (tCO_2e)	**5,289**		5,653		6,870		8,599	
Scope 3								
Purchased goods and services[3]	**333,876**		253,844		244,316		294,080	
Fuel and energy-related activities (not included in Scope 1 & 2)[4]	**1,570**		1,300		1,518		2,459	
Upstream transportation and distribution	**477**		1,641		1,890		4,173	
Waste generated in operations	**1,529**		1,762		2,523		3,358	
Business travel	**746**		1,287		475		1,807	
Employee commuting	**6,073**		7,100		7,227		3,176	
Of which: homeworking emissions	4,327		5,256		5,583		–	
Upstream leased assets	**247**		131		189		514	
Downstream leased assets	**3,080**		2,878		1,552		1,658	
Total Scope 1, 2 and 3 excluding investments (tCO_2e)	**354,390**		276,942		268,672		325,758	
Investments[5]								
Corporate bonds and private placements Scope (1 & 2)	**2.01°C**		2.02°C				2.44°C	
Corporate bonds and private placements Scope (1, 2 & 3)	**2.31°C**		2.31°C				2.80°C	
Commercial property (tCO_2e)[5,6]			**3,679**		4,747		5,197	
Commercial property – intensity (kCO_2e/m^2)[5,6]			**41**		55		67	
Real estate loans (tCO_2e)[5]			**6,093**		10,011		13,769	
Real estate loans – intensity (kCO_2e/m^2)[5]			**60**		72		81	
Intensity metrics								
Scope 1 and 2 emissions (tCO_2e) per £ million of net insurance revenue	**2.2**		2.2		2.9			
Scope 1 and 2 emissions (tCO_2e) per average number of employees for the year	**0.7**		0.7		0.9		1.3	

Overall, when compared to 2023, our Scope 1 and 2 emissions decreased by 3%.

Within our repair centres, we continued to see a reduction in Scope 1 emissions through the use of an alternative fuel for our recovery trucks. These reductions were partly offset by an increase in Scope 2 emissions where we continue to switch to electric from gas to power repair equipment, where possible. See page 53 for more information.

Scope 3 emissions (excluding investments), increased by 29%, primarily driven by higher emissions from purchased goods and services. This was largely attributable to increased expenditure associated with the partnership with Motability Operations, which began in September 2023.

Investment emissions from our commercial property and real estate loans portfolio further reduced in 2023[5], primarily reflecting a continued focus on energy efficiency by tenants and property managers.

Further information relating to our performance against our Science-Based Targets can be found on page 52.

Notes:

1. Figures for Scope 2 use standard location-based methodology. We follow the GHG Protocol to disclose both location and market-based figures; and as we have secured our energy from 100% renewable sources since 2014, our Scope 2 market-based results are nil prior to 2023. From 2023, emissions from electric and plug-in hybrid vehicles in the company car fleet have been reported within the Scope 2 market-based result.
2. The 2023 figures differ from our previously reported result following a reclass of 17 tCO_2e between location-based and market-based.
3. As outlined on page 72, the emission factors used in the calculation of purchased goods and services emissions were updated to EORA 26 emission factors in 2024 to remain in line with best practice. The 2023 result has been represented accordingly.
4. The 2023 figure of 1,300 tCO_2e differs from our previously reported figure of 1,354 tCO_2e following recalculation.
5. Due to the practicalities of obtaining data from our external asset managers ahead of the release of the Group's annual reporting, progress against our commercial property and real estate loan targets is reported with a one-year time lag.
6. The 2022 figures differ from our previously reported figures of 4,630 tCO_2e and 54 kCO_2e/m^2 following recalculation.

Viability statement

In accordance with Provision 31 of the 2018 UK Corporate Governance Code, the Directors assessed the viability over a three-year period to December 2027, beyond the minimum 12 months required. This assessment considered the Group's financial performance (page 20), principal risks (page 40), capital management strategies (page 24), and regulatory compliance as detailed in the Strategic Report and Financial Statements.

Every year, the Board considers the strategic plan ("**the Plan**") for the Group, which is based on the Group operating as a standalone business. As the approved Plan is used for planning over a timeframe of three years, to 31 December 2027, this has been selected as the most suitable period for the Board to review the Group's viability.

The Group's Risk Function assesses the Plan and provides a report to the Board which supports the Board in concluding on the Group's viability.

In undertaking this review, the Group Risk Function has defined a set of key risk themes, known as top risks, grouped around the themes of financial resilience, operational resilience and future strategic fit in the context of the Plan. The Plan did not introduce any new material risks other than those already contained within the Group's Material Risk Register. Whilst outcomes for the later years in the Plan are less certain, the Plan remains a robust tool for strategic decision-making despite the unpredictability of long-term outcomes.

The Group's Risk Function has also carried out an assessment of the risks to the Plan and the dependencies for the success of the Plan. This included running adverse scenarios on the Plan to consider the downside risks and subsequent impact on forecast profit. The key scenarios applied to the Plan were in relation to the impact of adverse claims inflation, failure to achieve motor pricing initiative benefits, delay to delivery of expense reductions and a fall in asset values. In applying these scenarios, key judgements and assumptions are made, the most relevant are as follows: adverse claims inflation; failure to achieve motor pricing initiative benefits; delay to delivering expense reductions and fall in asset values.

None of the scenarios individually were concluded to present a threat to the Group's expected viability across the duration of the Plan. It is unlikely that all risks would materialise at the same time.

Finally, the Finance Function has also carried out an assessment of the risks to the Group's capital position over 2025 and 2026, incorporating moderate and severe macroeconomic stress tests individually and in combination. The stresses have been run to assess the possible impact on own funds in the period to 31 December 2025 and 31 December 2026, and both scenarios confirmed the Group's solvency capital requirement would not be breached, including when all stresses were applied in combination. The most significant stresses considered were widening credit spreads; increases in claims inflation and reduction in business volumes.

The overall conclusion of these tests was that there could be breaches in the Group's risk appetite in the long term, however a combination of contingent, pre-emptive, and strategic management actions could be deployed to address the risks and allow the business to recover to above risk appetite.

Further information in relation to the sensitivity of key factors on the Group's financial position are included in the Group financial performance section on page 20 and in the market risk note in the consolidated financial statements on page 177.

Takeover approach from Aviva plc

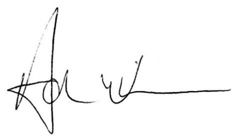
The Board has also assessed the impact of Aviva plc's offer to purchase the entire share capital of the Company, subject to regulatory and shareholder approval. In making its recommendation to the shareholders to accept the bid, the Board considered many factors. Further information in relation to the considerations made is included in the Section 172 (1) statement on page 86. In the event that the deal does not complete, the Directors consider that the Group would remain resilient.

Based on the results of these reviews, the Board has a reasonable expectation that the Company and the Group as standalone businesses can continue in operation, meet liabilities as they fall due and provide the appropriate degree of protection to those who are, or may become, policyholders or claimants in the period to 31 December 2027. Although the Directors cannot be certain about the actions of the new owners should a deal complete, they consider that the viability of the Groups operations should not be adversely affected.

Statement of the Directors in respect of the Strategic report

The Board reviewed and approved the Strategic report on pages 1 to 75 on 03.03.2025.

By order of the Board



Adam Winslow
Chief Executive Officer
04.03.2025