

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

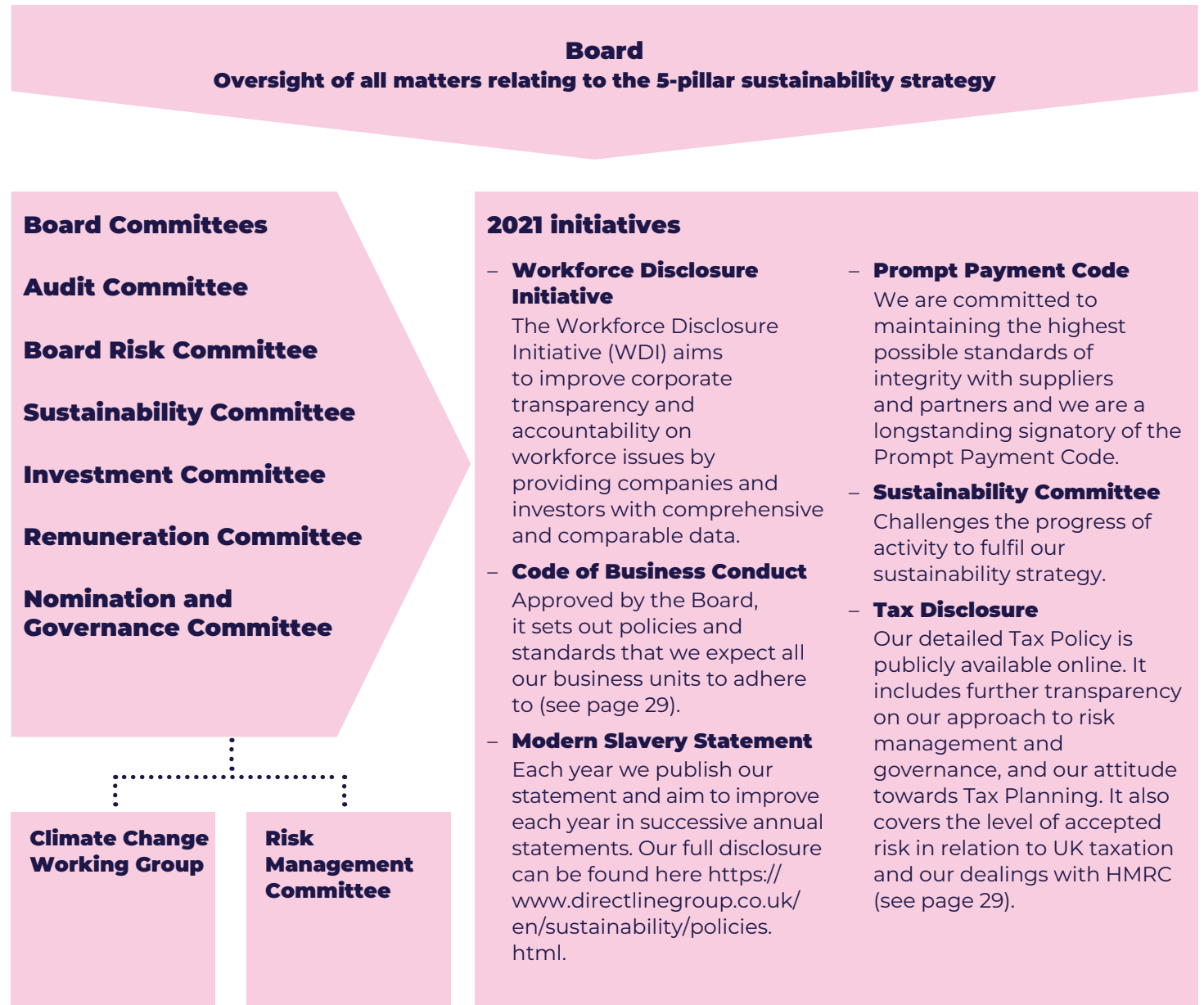
Governance



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We believe that HOW you do business is just as important as WHAT you do. We aim for good sustainable governance underpinned by our Vision and Purpose and a clear commitment from the top to align sustainability goals across the business.

We are embedding sustainability throughout the business by developing an overarching framework to drive decision-making and communicate progress against our five-pillar sustainability strategy.



Governance *continued*

Being a responsible corporate citizen

A key part to being a responsible corporate citizen is ensuring that we comply with all applicable tax laws and regulations and meet our responsibilities as a contributor of corporate taxes and as a collector of taxes on behalf of HMRC.

Group's 2019 total tax contribution



Code of Business Conduct

The Board remains committed to high standards for each and every employee in the Group and sets out its expectations of honest, professional and ethical conduct as well as maintaining effective procedures in our Code of Business Conduct <https://www.directlinegroup.co.uk/en/who-we-are/governance/other-policies.html>.

– Dealing with Customers

We are committed to treating customers fairly, openly and honestly and operating an effective complaints process to deal with situations where these standards may be challenged.

– Dealing with Shareholders and other Stakeholders

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

– Dealing with Employees

Maintaining a working environment that attracts, motivates and retains employees and intolerant of any type of discrimination, harassment or victimisation.

– Dealing with Suppliers of Goods and Services and Business Partnerships

Maintaining the highest possible standards of integrity in business relationships with suppliers and partners by treating them honestly and with respect and avoiding compromising offers of gifts and hospitality.

– Dealing with Communities and the Environment

We are committed to contributing to the social and economic wellbeing of those communities where we are an employer and encourage employees to participate in projects and initiatives to strengthen those communities.

– Dealing with Competitors

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

– Dealing with Regulators

Maintaining a constructive and open relationship with our regulators to foster mutual trust, respect and understanding.

1. The Group's total tax contribution of 2019, including direct and indirect tax contributions

Governance *continued*

External memberships and benchmarks

We actively support various initiatives related to climate change, ESG and sustainability:

CDP: The Carbon Disclosure Project is a globally recognised platform measuring reporting performance and for 2018 activity the Group received a CDP rating of B. The ratings for 2019 activity will be available later this year.

Sustainalytics: In July 2020, the Group was rated as an ESG leader within insurance, ranking seventh out of 264 companies.

MSCI: In June 2020, the Group received an 'A' rating highlighting our Corporate Governance and Human Capital Development as a stretch in the Company's performance.

RE100: We are in the process of applying for membership to RE100, a global initiative dedicated to accelerating a global shift in clean energy. Under this initiative, we will continue our commitment to source 100% renewable electricity.

PRI: The UN Principles for Responsible Investment, launched in 2006, is a major collective initiative that seeks to promote responsible investment among investors and asset managers. We expect all of our external portfolio managers to be signatories.

SBTi: The Science Based Targets Initiative helps companies to determine emission reduction targets in line with climate science. In 2020 we have begun the process of setting new science-based reduction targets for our Scope 1, Scope 2, and Scope 3 emissions. These targets will be submitted for approval within the two-year timeframe set out by the SBTi (August 2022).

