

DIRECT LINE GROUP PLC VERIFICATION STATEMENT - LIMITED ASSURANCE

Client: Shai Guiness – Direct Line Group PLC

Authors: Harry Wilson & Annie Timbers – Carbon Intelligence

13th February 2023





Carbon Intelligence part of accenture document for:

Shai Guiness - Direct Line Group PLC

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Group plc

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INTRODUCTION

Carbon Intelligence has been contracted by Direct Line Group PLC ("DLG") of 60 Fenchurch St, London EC3M 4AQ for the independent third-party verification of direct and indirect carbon dioxide equivalent emissions (CO₂e) as provided in the 2022 Streamlined Energy & carbon reporting, to a limited level of assurance. This verification exercise has been performed to the ISO 14064-3 standard.

ROLES AND RESPONSIBILITIES

The management of Direct Line Group is responsible for the organisation's greenhouse gas (GHG) information system, the development and maintenance of records and reporting procedures in accordance with that system. The Carbon Intelligence reporting team perform the calculation and determination of GHG emissions information, however final responsibility for the reporting lies with the management of Direct Line Group.

It is Carbon Intelligence's responsibility to express an independent GHG verification opinion on the emissions as provided in the Direct Line Group 2022 Streamlined Energy & carbon reporting for the period 1st January 2022 – 31st December 2022.

TITLE OR DESCRIPTION OF ACTIVITIES

The organisational boundary was established following the operational control approach on a global basis. The scope of this engagement covered the assessment of all emission sources required for disclosure by *The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2019*:

Scope 1 Emissions (100%)

- Combustion of gaseous fuels in facilities
- Combustion of liquid fuels in facilities and operations
- Combustion of fuel in vehicle fleet
- Release of fugitive emissions

Scope 2 Emissions (100%)

- Purchased electricity consumption within facilities

Scope 3 Emissions (partial)

- Business travel



OBJECTIVES

The objectives of this verification exercise were, by review of objective evidence, to confirm whether any evidence existed that the GHG emissions as declared in the organisation's GHG assertion were not: accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

CRITERIA

Criteria against which the verification assessment was undertaken:

- **Reporting standard:**
 - Scope 1 & 2 emissions – World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol)
 - Scope 3 – WRI: GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- **Reference calculation methodologies**
 - DEFRA (2013) Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance.
- **Legislative criteria:**
 - Part 7 of The Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013
 - Streamlined Energy and Carbon Reporting (SECR)

LEVEL OF ASSURANCE AND MATERIALITY

The level of assurance agreed is that of limited assurance. A materiality level of 5% was applied. Note that assessment of compliance and materiality was undertaken against the stated calculation methodology.

VERIFICATION OPINION

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a limited level of assurance



based on the process and procedures conducted. We conducted our verification with regard to the GHG assertion of Direct Line Group, which included assessment of the company GHG information system and monitoring and reporting methodology. This assessment included the collection of evidence supporting the reported data and multiple checks relative to the provisions of the legislation, reporting standard and calculation methodologies referenced in the verification criteria. This statement shall be interpreted with the GHG assertion of Direct Line Group as a whole.

Carbon Intelligence's approach is risk-based, drawing on an understanding of the risks associated with calculating GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a limited sample basis, of evidence relevant to the reporting of emission information.

Based on the data and information provided by Direct Line Group and the processes and procedures conducted, Carbon Intelligence's concludes with limited assurance that there is no evidence to suggest that the GHG assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions data and information; and
- is not prepared in accordance with the criteria listed above.

It is our opinion that Direct Line Group has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

The GHG information for the period 01/01/2022 – 31/12/2022 is verified by Carbon Intelligence's to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria. 100% of emissions by scope are verified as follows:

Reporting Period: 01/01/2022 – 31/12/2022			
Scope 1	Scope 2 (location-based approach)	Scope 2 (market-based approach)	Scope 3 (Business travel)
Reported Emissions: 6,540 tCO ₂ e	Reported Emissions: 2,453 tCO ₂ e	Reported Emissions: 0 tCO ₂	Reported Emissions: 479 tCO ₂



OBSERVATIONS

- Based on our work, Carbon Intelligence considers that material GHG sources are appropriately identified and reported on.
- All material errors in reported data identified during the verification process have been duly corrected.

ATTESTATION

Harry Wilson

Lead Verifier

On behalf of Carbon Intelligence Energy Services Ltd



No member of the verification team has a business relationship with Direct Line Group PLC, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.



Carbon Intelligence part of accenture document for:

Shai Guiness - Direct Line Group PLC

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