



Sustainability Accounting Standards Board disclosure 2024

Introduction

We are pleased to report against the Sustainability Accounting Standards Board (“**SASB**”) industry-specific disclosure standard for insurers. We recognise its value in how we communicate our approach to managing environmental, social and governance (“**ESG**”) matters.

This disclosure is voluntary and considers how our existing reporting aligns to the recommended SASB Standards for insurers and includes references to published material that supports our disclosure against each metric. Where necessary, there has been adaptation in the reporting against the recommended metrics to ensure disclosure of the most appropriate information applicable to our business (as is permissible in accordance with the SASB guidance).

For more information on how we are building a sustainable business see pages 44 to 57 of our Annual Report and Accounts 2024 (“**ARA**”). Also see pages 58 to 73 of the ARA 2024 for our latest disclosure aligned to the Task Force on Climate-related Financial Disclosures (“**TCFD**”) recommendations and the Streamlined Energy and Carbon Reporting (“**SECR**”) requirements.

Regulatory developments

The ISSB’s Sustainability Disclosure Standards, IFRS S1 “General Requirements for Disclosure of Sustainability-related Financial information” and IFRS S2 “Climate-related Disclosures”, are expected to be endorsed for use by the UK in 2025 and will provide a comprehensive baseline for companies to report against. Further, during 2025 it is expected that the FCA will consult on transition plan disclosures for listed companies. We continue to monitor the developments of the sustainability-related reporting landscape and the associated disclosure requirements.

Key:

ARA	Group Annual Report & Accounts 2024
TCFD	Task Force on Climate-related Financial Disclosures 2024 (as disclosed within the Group Annual Report & Accounts 2024)
SFCR	Solvency and Financial Condition Report 2024
CW	Corporate website
COBC	Code of Business Conduct

Publications available at
www.directlinegroup.co.uk

SASB Disclosure

Accounting Metric	Code	Disclosure
Transparent Information & Fair Advice for Customers		
Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	FIN-IN-270a.1	There is no material information to disclose relating to this metric.
		ARA There is 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 – page 38.
		ARA The Group carefully assesses and outlines the principal risks facing the business, including those associated with operational and regulatory compliance risk – page 42.
		ARA As at 31 December 2024, the Group did not have any material provisions in respect of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers – see note 31 in the notes to the Financial Statements on page 227.
Complaints-to-claims ratio ¹	FIN-IN-270a.2	<p>CW The volume of complaints reportable, twice annually, to the Financial Conduct Authority (“FCA”). Data is reported as the number of complaints opened in the reporting period per 1,000 in-force policies for the Group's principal underwriter, U K Insurance Limited.</p> <p>Note: 1. In accordance with FCA reporting requirements we publish the number of complaints received during the reporting period per 1,000 in-force policies instead of, as recommended by the SASB framework, per 1,000 claims filed.</p>
Customer retention rate	FN-IN-270a.3	The Group has not reported retention rates for 2024 owing to commercial sensitivity of the data.
		ARA Additional information relating to the performance of our operating segments – pages 34 to 37.
		ARA Net promoter score (“NPS”) for Direct Line Group – page 47.

Accounting Metric	Code	Disclosure
Description of approach to informing customers about products	FN-IN-270a.4	<p>We communicate with our customers via our regulated underwriting entity, U K Insurance Limited, through a variety of channels and literature. Customer communications include, but are not limited to, all financial promotions, website content, social media content, policy documentation and system generated communications.</p> <p>To ensure our customers can make informed decisions we provide information regarding, but not limited to, the nature of our products, the terms and scope of insurance coverage, insurance policy exclusions, the costs of insurance policies, the ability to choose (or not) additional covers and the processes for making an insurance claim.</p> <p>The Group's conduct objective in relation to product marketing is to ensure our customer communications are clear, fair and not misleading, targeted appropriately and include the relevant information in a way that is accessible and easily understood.</p> <p>We provide a range of channels that customers can contact us, including our digital first customer journeys.</p> <p>ARA A summary of our core business areas, products and brands can be found in The Group at a Glance – page 2.</p> <p>COBC We make sure that our products and services are designed to meet an identified need and that customers are provided with clear information, are kept informed and can make amendments easily. We regularly monitor our performance in relation to standards of service, product performance and customer outcomes – page 5.</p> <p>ARA The Group's approach to meeting the needs of all its customers, including the Group's focus on providing choice, value for money and service – pages 46 to 47.</p>
Incorporation of Environmental, Social, and Governance Factors in Investment Management		
Description of approach to incorporation of ESG factors in investment management processes and strategies	FN-IN-410a.2	<p>ARA Integration of ESG considerations into our investment strategy – page 53.</p> <p>TCFD Scenario analysis exploring the financial impact of transition risk on the Solvency II balance sheet value of investment assets – pages 61 to 63.</p> <p>TCFD Implementation of climate-related initiatives into the Group's investment strategy – pages 66 and 71.</p> <p>CW Responsible investment initiatives which are incorporated into the Group's investment strategy.</p>
Policies Designed to Incentivise Responsible Behaviour		
Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	The Group does not disclose written premium for policies related to energy efficiency and low carbon technology.

Accounting Metric	Code	Disclosure
Discussion of products and/or product features that incentivise health, safety, and/or environmentally responsible actions and/or behaviours	FN-IN-410b.2	The Group's telematic policies encourage younger drivers to develop safe driving habits whilst also providing the opportunity to receive policy premium discounts.
		<p>ARA At the time of its launch in 2024, the Group is the only UK breakdown provider to offer services as part of Apple's Roadside Assistance via satellite, providing customers reassurance that help may be provided even when they have no mobile reception – pages 5 and 47.</p> <p>TCFD The Group has expanded its Motor products to support customers who are changing to electric vehicles. For example, car insurance now covers batteries, home charging kit and cables – page 65.</p>
Financed Emissions		
Absolute gross financed emissions disaggregated by (1) Scope 1; (2) Scope 2; and (3) Scope 3	FN-IN-410c.1	The Group does not currently publish disaggregated data on all financed emissions. Aggregate financed emissions in respect of commercial property and real estate loans are disclosed.
		Note that due to time lags in receipt of financed emissions data from the Group's asset managers this data is published with a one year time lag – page 73.
Gross exposure for each industry by asset class	FN-IN-410c.2	ARA Analysis of debt securities and infrastructure debt by industry is disclosed in note 1 to the Financial Statements on pages 179 and 180. Analysis of investment property by type is disclosed in note 18 to the Financial Statements on page 203.
Percentage of gross exposure included in the financed emissions calculation	FN-IN-410c.3	ARA Not reported by the Group. The Group, however, includes four science-based greenhouse gas emission reduction targets in its investment portfolio, covering corporate bonds, commercial property and real estate loans – 70% of the Group's assets under management See pages 52, 66 and note 23 to the Financial Statements on page 221.
Description of the methodology used to calculate financed emissions	FN-IN-410c.4	ARA The Group uses the Partnership for Carbon Accounting Financials ("PCAF") methodology to calculate emissions associated with its investment activities – page 72.
Physical Risk Exposure		
Probable Maximum Loss of insured products from weather-related natural catastrophes	FN-IN-450a.1	ARA Catastrophe reinsurance protects us against an accumulation of claims arising from a natural perils event. We place this annually up to a modelled 1-in-200 year loss event. For the 12 months from 1 January 2025, we have a retained deductible of £100 million – pages 33 and 69.
		<p>ARA Home and Commercial claims costs related to major weather events, including inland and coastal flooding and storms – pages 21, 37 and 247.</p> <p>ARA Loss ratios for major weather events – pages 37 and 246.</p> <p>TCFD The impact of severe weather on the Group's net insurance margin – page 69.</p>
Total amount of monetary losses attributable to insurance payouts from: 1. modelled natural catastrophes, and 2. non-modelled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	FN-IN-450a.2	ARA Home and Commercial claims costs related to major weather events, including inland and coastal flooding and storms – pages 21, 37 and 247.
		<p>ARA Loss ratios for major weather events – pages 37 and 246.</p> <p>TCFD The impact of severe weather on the Group's net insurance margin – page 69.</p>

Accounting Metric	Code	Disclosure	
Description of approach to incorporation of environmental risks into: 1. the underwriting process for individual contracts, and 2. the management of firm-level risks and capital adequacy	FN-IN-450a.3	TCFD	TCFD disclosure – pages 58 to 73.
Systemic Risk Management			
Exposure to derivative instruments by category: 1. total potential exposure to non-centrally cleared derivatives 2. total fair value of acceptable collateral posted with the Central Clearing house, and 3. total potential exposure to centrally cleared derivatives	FN-IN-550a.1	ARA	Use of derivative financial instruments in interest rate and currency risk management – see note 31 in the notes to the Financial Statements on pages 181 and 182.
		ARA	Analysis of the undiscounted cash flows of derivative financial instruments by contractual maturity – see note 1 in the notes to the Financial Statements on page 188.
		ARA	Fair value of derivative financial instruments – see notes 22 and 23 in the notes to the Financial Statements on pages 218 to 220 and 222.
Total fair value of securities lending collateral assets	FN-IN-550a.2	ARA	Collateral management arrangements – see note 1 in the notes to the Financial Statements on page 182
Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities.	FN-IN-550a.3	ARA	Risk management – pages 38 to 43.
		ARA	Sensitivity analysis – see note 1 in the notes to the Financial Statements on page 182.
		ARA	Credit risk management – see note 1 in the notes to the Financial Statements on pages 182 to 186.
		ARA	Liquidity risk management – see note 1 in the notes to the Financial Statements on pages 187 and 188.
		SFCR	Risk profile – credit risk – page 37.
		SFCR	Risk profile – liquidity risk – page 37.
		SFCR	Risk profile including sensitivity analyses detailing scenario impacts on the Group's solvency capital ratio – pages 35 to 39.
Activity Metrics			
Number of policies in force, by segment: 1. property and casualty 2. life 3. assumed reinsurance	FN-IN-000.A	ARA	In-force policies reported by operating segment – pages 34 to 37 and 253.



Direct Line Insurance Group plc©

Registered in England & Wales No. 02280426

Registered Office: Churchill Court, Westmoreland Road, Bromley, BR1 1DP