Hastings

Gaining Momentum

Hastings Group

2023 Sustainability Report

We are a fast growing, agile, data and digitally-focused provider of general insurance and other financial services. We offer a range of competitive and straightforward products and services, which include car, bike, van and home insurance and a range of additional products like breakdown cover and home legal expenses, and unsecured personal loans.

Hastings Group ("Hastings", "Company", "Group") comprises the ultimate UK parent entity Hastings Group (Consolidated) Limited and its wholly owned subsidiaries, including its two main insurance operating businesses; Hastings Insurance Services Limited (trading as Hastings Direct) in the UK, and Advantage Insurance Company Limited in Gibraltar, and its personal lending business in the UK, Hastings Financial Services Limited (trading as Hastings Direct Loans). This report refers to activities conducted at the operating entity level within the Group.

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Gaining momentum for a sustainable future

I'm proud of how our colleagues continue to strive to do the right thing and support each other, our customers, and communities, working together and taking action to build towards a more sustainable future.

This year has been challenging for many, due to increased costs and financial pressures caused by the persisting cost of living crisis and period of economic uncertainty. We have worked hard to provide greater practical help and solutions to support our customers, aligned with our goal of providing a simple and straightforward service. Whether it be enhancing online digital tools to make claiming and contacting us easier such as our Claims Hub, or proactively reaching out to support our customers in times of exceptional need, such as the Luton Airport fire incident where we implemented a series of extra support services for customers impacted.

We have endeavoured to be there for our customers, when they needed us the most. I am immensely proud of the swift decision making and actions taken in response to the Luton Airport fire, and I believe it's typical of how we demonstrate that customers are truly at the heart of everything we do. As a responsible insurer, working towards long term sustainability we must carefully consider all the decisions we make, across our entire business and any potential impacts on a wider scale.

We have continued to develop our science-based targets in line with the Science Based Target initiative (SBTi) methodology and we are on track to publish these in 2024. We also remain committed to becoming a net-zero organisation by 2050 or sooner. The carbon intensity of our investment portfolio continues to reduce by more than the annual reduction target of 6%, beating our target set in 2022 and in line with our goal of a 50% reduction by 2030 or before. And as signatories to the United Nations Principles for Responsible Investment (UN PRI), we voluntarily reported on our responsible investment activities this year for the first time. I'm also very proud that for the 4th consecutive year, we have been certified as a CarbonNeutral® company and we continue to take further steps to reduce our impact on the planet.

We work to create an environment that is inclusive, provides a sense of belonging and encourages colleagues to be themselves at work. I am delighted that our inclusive culture has been recognised again this year in the Top 50 UK Inclusive Employers list, where we were the highest recognised insurance provider.

Embedding sustainability into our culture remains our focus; it is reflected in our core values, and I am grateful for all Hastings colleagues that continue to deliver the best outcomes for our customers and communities, ensuring we remain on track to achieve our goals for a sustainable, better tomorrow.

Toby van der Meer
Chief Executive Officer

> "I am delighted that our inclusive culture has been recognised again this year in the Top 50 UK Inclusive Employers list, where we were the highest recognised insurance provider."

A positive contribution to society and the environment

During 2023 we delivered a number of initiatives that contribute positively to our sustainability goals. Key highlights include:

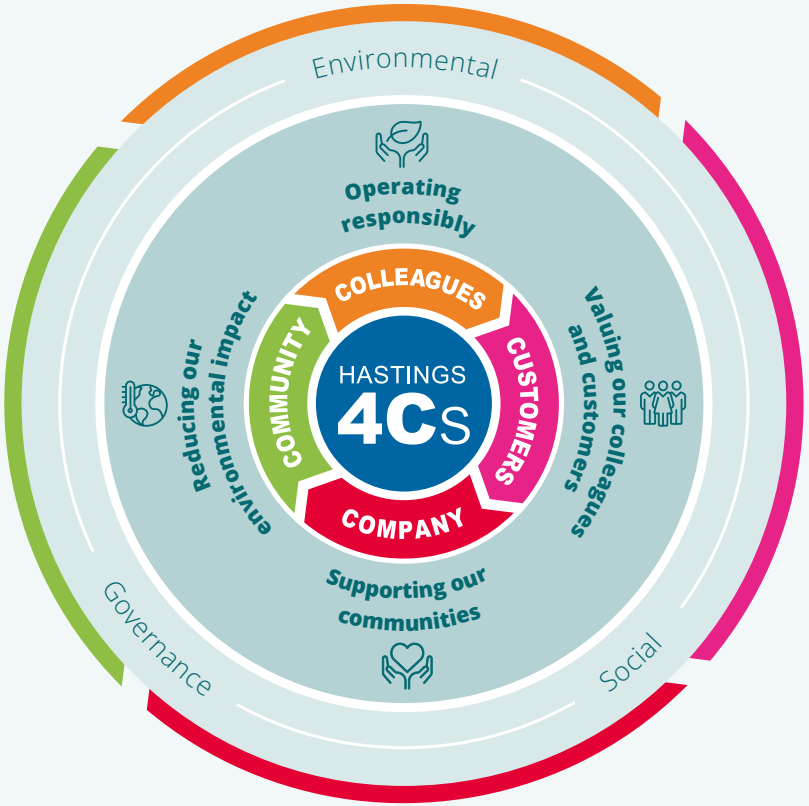
- Our Head Office being powered by 100% renewable energy, following a switch to Biogas.
- Helping colleagues with the increased cost of living by creating a financial assistance package for the second year.
- Partnering with Earthwatch Europe environmental charity, supporting their delivery of educational programmes for 66 trainee teachers, with the potential to positively impact up to 20,000 students.
- Hiring 9 colleagues through our partnership with Generation, a socio-economic charity that specialise in training skilled but underemployed candidates from diverse backgrounds into data and analytics.
- Colleagues raising over £44,000 for charities and providing almost 10,000 hours of practical support; Hastings also providing over £78,000 through our Community Grant Scheme and sponsorship, supporting over 60 different organisations.
- Hastings being recognised as 4th in the Top 50 UK Inclusive Employers list and being the highest recognised insurance provider.
- A record number of colleagues enrolling on to the 30% Club 2023-24 Mission Gender Equity and Mission Include.
- Consulting with colleagues on matters that impact them via the Hastings Colleague Forum and the Inclusion Council creating new colleague policies, including our Baby Loss Policy which provides specific support for colleagues experiencing this traumatic event.
- Enhancing customer journeys and critical communications, as well as developing a new, time efficient, way of communicating with us, all with the aim of being simple and straightforward.

Gaining momentum through our 4Cs and areas of focus

Our 4C's ways of working and commitment of doing the right thing underpin our approach to sustainability and embedding it as part of our culture.

We believe that by creating an environment for our colleagues where they feel empowered, have the tools and knowledge to look after their wellbeing and are provided with the skills and opportunities to truly thrive, they will do the best they can for our customers. We see this as our key to success and our pathway for growth, in a profitable and sustainable manner, allowing us to invest in our communities, society and the environment.

We know that success happens when everyone plays their part, doing what they can, big or small, to create change and drive progress in tackling some of the sustainability challenges we face, working as a community, with one goal, to achieve a better future.



Delivering our sustainability strategy through 4 areas of focus

Valuing our colleagues and customers

Supporting our communities

Reducing our environmental impact

Operating responsibly

Valuing our colleagues and customers

2,800 colleagues

Around 2,800 colleagues received a £500 advance bonus payment in October.

5% pay increase

Commitment that c.1,500 customer-facing colleagues within our step pay framework will receive a minimum 5% pay increase in March 2024.

80 colleagues

More than 80 colleagues financially supported by our Colleague Hardship Fund to the value of over £77,000.

4.5 rating, out of 5

Customers rated their online buying experience as 4.5 on average out of 5 for ease of use for all products.

4th place

Rated 4th place in the Top 50 UK Inclusive Employers in 2023.

Developed our digital customer services, so more car insurance customers can notify us of a claim and arrange roadside recovery direct from our app.

Launched a new home insurance fire and flood claim solution, meaning most customers don't have to leave their home whilst repairs are completed.

Developed a new customer 'smart messaging service' via our app that generates notifications and allows customers to communicate with us at a pace and time that is convenient for them.

Entered into a partnership with Tech Returners who upskill tech professionals returning to the profession and successfully hired a female candidate from the programme.

Colleague-led Inclusion Council continues to advocate for positive change for colleagues and lead diversity and inclusion events, including National Inclusion Week and Black History Month.

Our home insurance product has been awarded top ratings for 2024 by Moneyfacts due to its features when compared to others in the marketplace.

Supporting our communities

63

causes supported

We supported 63 causes, with a total of £78,000 made in donations.

£44,000

raised

Colleagues raised over £44,000 for charities and communities.

Colleagues provided almost 10,000 hours of practical help across our local communities, of which almost a third was spent supporting the conservation and improvement of local nature-based areas.

Provided space in our Head Office for the British Red Cross to store and distribute mobility aides to the local community.

223

local school students

Supported 223 local school students via our Futuready mentoring program, supporting young people to make better life choices.

Reducing our environmental impact

1,600

trees planted

Almost 1,600 trees planted in the restoration of historic forest across the UK as part of our Green Earth scheme, which gives customers the option of having a tree planted rather than opting for a courtesy car.

Both UK sites now operating on renewable electricity, with our Head Office operating on 100% renewable energy following a move to Biogas in Q4.

Removed approximately 178,000 single-use plastic drink bottles from sale and offered metal and glass alternatives, reducing the amount of harmful microparticles and plastic entering circulation.

Utilised recycled fabrics made from ocean waste, as well as other sustainable materials, as part of the refurbishment of selected areas within our Head Office.

11%

emissions reduction

Reduced our Scope 1 carbon emissions by 11%.

Operating responsibly

AA

ESG rating

Maintained MSCI aligned ESG score of "AA" on our investment portfolio*

44,000kg

carbon emissions saved

Saved over 44,000kg of carbon emissions through using green parts in our repair process** – this is equivalent to the carbon removed by 728 tree seedlings that have grown for 10 years***

Completed sustainability due diligence on all our significant suppliers enabling better informed conversations about our sustainability agenda.

Worked towards developing near-term science-based targets in line with Science Based Target initiative (SBTi) methodology for publication in summer 2024.

6%

Exceeded our annual carbon intensity reduction target of 6% on our investment portfolio.

19%

Wellbeing champions network has grown by 19% when compared to 2022.

Invested in technologies to provide enhanced security for customer data, including enhanced security approaches for customer logins to our online services.

* MSCI is an investment research firm - Powering better investment decisions - MSCI ** Based on our supplier's calculations *** Based on calculations by epa.gov

UN SDG Mapping

In 2015 the United Nations launched 17 Sustainable Development Goals to help end poverty, improve health and education, reduce inequality and tackle climate change, by 2030.

Mapping out sustainable activities against the UN SDGs helps us make sure we are supporting global goals. We aim to contribute in some way to all 17 goals; we have had the greatest impact on the following 6 over the last 12 months.

UN SDG	Description	Hastings Activity	Sustainability Area of Focus
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	• Extensive wellbeing programme • Wellbeing Champion development programme • Period Positive Workplace campaign • Colleague mental health app • Local homeless charity partnership	Valuing our colleagues Supporting our communities
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Graduate, Internship and Apprenticeship programmes • Futureready mentoring program • Colleague training programmes • Green Ambassador education programme • Earthwatch Partnership	Valuing our colleagues and customers Supporting our communities Operating responsibly
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Inclusion Council • Hybrid- and remote-working models • Rated 4th place in the Top 50 UK Inclusive Employers • 30% club • Refreshed colleague policies	Valuing our colleagues and customers Operating responsibly
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	• Shared parental leave • Established community programme • Improved accessibility for customers • Increased colleague hardship fund, pay and bonus package • Diversity and inclusion strategy	Valuing colleagues and customers Supporting our communities
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	• Responsible investments • Hastings supplier policy • Responsible sourcing • Go Green programme • Continuous waste reduction	Reducing our environmental impact Operating responsibly
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	• Certified CarbonNeutral® for fourth year • Developing near-term Science Based Targets • Investment in sustainability team • Supporting local environmental groups • Green Ambassador education programme	Reducing our environmental impact Operating responsibly

Valuing our Colleagues

Our colleagues are critical to our success as a business and we strive to support them in realising their full potential, by developing skills and capability, supporting their wellbeing and creating an inclusive, diverse culture that celebrates individuality, promotes respect and equity and allows everyone to bring their best self to work.

Colleagues can save up to 10% on new technology and household goods via our TechScheme salary sacrifice benefit.

Aligned to UN SDG

Wellbeing

We provide support for our colleagues when it is most needed. In addition to providing educational activities, support tools and running awareness campaigns, we offer essential core services such as a 24/7 confidential Colleague Assistance Programme and a Smart Health app that provides access to a suite of services, from a UK-based 24/7 GP to nutrition consultations, all of which are also freely available to colleagues' dependants.

During 2023 our wellbeing activities' calendar was busier than ever; each month brought a new focus and theme, ranging from Veganuary in January to World Menopause Day in October. Activities on offer ranged from talks and webinars run by our providers, to free diabetes assessments and blood pressure checks, as well as virtual and face-to-face workshops covering a variety of wellness subjects.

We recognise the value educational programmes bring and during the year provided the following courses:

- 1 day mental health workshop - specifically for leaders and aspiring leaders, aimed at giving them the confidence to confidently and proactively manage their mental health and that of their team members.
- Resilience workshop - aimed at equipping colleagues with the skills and mindset to cope with stress and adversity.

Free colleague support

In addition to our core wellbeing services we offer a range of free, supportive tools for colleagues and their dependants and supply a range of services from financial advice to mental health support.

New initiatives launched in 2023:

Free mortgage advice

As part of our ongoing cost of living crisis support for colleagues, we partnered with an independent mortgage advice provider. The service is free and available to colleagues, family and friends. We seek partnerships with companies that align to our sustainability goals and for every mortgage completed or client referral made, one tree is planted in a mangrove in Madagascar.

In-House therapy app

We introduced a mental health app in 2019 and it has supported hundreds of colleagues at Hastings by helping manage their mental health in their daily lives, as well as giving colleagues the ability to track their mood. In 2023 we enhanced this service to include a therapy app which provides a confidential live chat therapy service, offering as many sessions as needed. There is also guidance provided on how to support colleagues, which is helpful for leaders supporting their teams.

Planet friendly free period products

We developed our free period products initiative and partnered with TOTM (time of the month), a company focused on period positivity, tackling period poverty and providing planet-friendly period care. Free period products are made available to colleagues across all our sites that are organic and free of plastic. In June we held Period Month, dedicated to encouraging colleagues to understand more about how menstrual cycles can impact colleagues and what support can be offered, working together to encourage open communication for a more inclusive workplace.

All these activities and services are championed and supported by our Wellbeing Champions our network of which has grown by 19% when compared to 2022, with 70 in total.

It's good to talk

Being social and talking to others is often a great way to relieve stress, offload worries and talk through opportunities. We have continued to focus on supporting our colleagues through our network of Wellbeing Champions and Mental Health First Aiders. Colleagues fulfil this role alongside their day job and act as key contacts whilst promoting both preventative and supportive healthcare via the tools and resources available within our wellbeing programme.

With the support of Talk Club, one of the UK's mental health charities designed to support men, we hosted regular talking and listening therapy sessions, specifically for male colleagues. These sessions provide an additional talking opportunity for colleagues to support their mental wellbeing.

> Our aim is simple, to support our colleagues to have happy and healthy lives, both at work and at home. We strive to provide a comprehensive wellbeing programme and the introduction of the therapy app this year has been a positive addition to our suite of supportive tools and services.
>
> **Mark Winterflood**
> *Wellbeing manager*

Development and learning opportunities

We are committed to developing and supporting our colleagues to be their best, equipping them with the skills and capabilities to realise their potential and develop their careers at Hastings whilst enabling great outcomes for our customers.

This year, we invested in an innovative artificial intelligence questioning tool to support our customer-facing claims colleagues to build their competency. The tool has provided positive results so far and we intend to introduce the tool to more colleagues in 2024.

In addition to our regulatory and mandatory training we provide a wide range of apprenticeship opportunities, enabling colleagues to gain professional qualifications. During 2023, 59 colleagues started apprenticeships, an increase of 48% compared with 2022. Externally certified training is also available for all colleagues subject to agreement, with over 20 different courses, for 1,244 colleagues funded in 2023.

All colleagues required to complete and evidence continuous professional development (CPD) in accordance with regulatory obligations, do so via our in-house record keeping system to aid with monitoring governance.

Leadership development

Recognising the important part that leaders play in creating our culture of continuous development, we have continued with our "Leading for Growth" development programme which seeks to build leadership capability, enabling leaders to help colleagues reach their full potential and drive and deliver growth ambitions. This year over 1,200 leaders participated in the programme.

In 2024 we intend to build on this programme and will be launching a further programme called Operational Leadership Excellence (OLE). The OLE programme has been specifically designed for customer-facing leaders, aiming to deliver great customer, colleague and company outcomes through the development of leadership skills, behaviours and confidence.

Money matters

Cost of living pressures have continued and worrying about finances can take a huge toll on mental and physical health, relationships, and overall quality of life.

We are committed to supporting our colleagues in these challenging times. In line with our 4C's values, we want to support colleagues and have created a support package which consists of:

- A £500 advance bonus paid in October for colleagues earning up to and including £47,250 per year.
- The commitment that all customer-facing colleagues within our step pay framework will receive a minimum 5% pay increase in March 2024.

We continue to pay the National Living Wage once the standard 5% pension scheme contributions have been deducted. We also match pension contributions up to 10% to support colleague retirement saving plans.

We know that despite this support, there may be instances when colleagues require further support which we have offered through our Colleague Hardship Fund, for colleagues that find themselves in acute financial difficulty. Applications can be made in complete confidence, for non-repayable grants. Since the inception of the funding scheme in 2020, over 230 colleagues have been supported and provided with over £214,000 of additional financial support.

In addition, we also offer a range of savings and discounts across retailers, through our discounts and cashback app. Colleagues can also save up to 10% on new technology and household goods via our TechScheme salary sacrifice benefit.

Being who we are

We are proud of our diverse workforce and work hard to provide a culture and environment where all colleagues can be proud of who they are. This is reflected in our ranking of 4th place within the Top 50 UK Inclusive Employers for 2023, an improvement of five places on 2022, making us the highest placed insurance provider for 2023/24 awards. We appreciate the value a diverse workforce brings and work to attract, develop and progress colleagues from all backgrounds.

We seek to attract a spectrum of graduates onto our early careers and graduate programme. In 2023, 45% of successful candidates were female and 50% were from ethnic minority backgrounds. As a signatory of the Women in Finance Charter, we are aiming to achieve at least 35% of senior roles held by women by 2025, increasing from the 30% achieved in 2022.

Our partnership with the 30% Club, an external mentoring programme aimed at women and those from ethnic minority backgrounds, continued in 2023 and over the last three years, there have been 14 promotions or new roles from the mentee population. A record number of 30 colleagues and 30 leaders enrolled onto the scheme to become mentees and cross-company mentors during 2023.

Furthermore, we hired 9 colleagues through our partnership with Generation, a socio-economic charity that specialise in training skilled but underemployed candidates from diverse backgrounds into data and analytics.

Our Inclusion Council continues to play an important role in advocating positive change for colleagues and we have piloted a paid Carers Leave Policy in preparation for new UK legislation expected to be implemented in 2024. The Council is involved in the regular review of colleague policies and was consulted on our new Baby Loss Policy, launched this year, for any colleagues who experience any type of baby loss. The Council is also supporting with the work being undertaken to achieve Disability Accreditation, which we hope to gain in 2024.

"As part of our commitment to seek talent and provide career opportunities, we've partnered with charities like Generation, a social mobility charity, which has helped us recruit colleagues, into roles in our Data Analytics and Engineering teams."

Bola Ajani
Talent manager

"The Inclusion Council is a valuable way for colleagues across the Company to feed in their thoughts, views, and ideas, to help drive improvements and awareness, promoting a safe environment that enables colleagues to thrive."

Louise Underwood
Business Services Director

Throughout the year we have continued to celebrate and raise awareness on a wide range of topics related to diversity. Topics covered in 2023 include Black History Month, Pride, Neurodiversity Week, National Inclusion Week, and Interfaith Week. Different religious events have been recognised and celebrated, as well as ensuring that colleagues who require flexibility during times of fasting are supported.

Everyone has a voice

We recognise that communication is essential to positive organisational change and our culture allows everyone a role to play in providing opinions and sharing information to make a difference for all.

Hastings Colleague Forum

The Hastings Colleague Forum (HCF) is used to communicate and consult on matters that impact colleagues. The forum is made up of democratically elected representatives from across the business who play a significant role in keeping us informed of issues faced by colleagues as well as raising awareness of topics and activities within their business areas. During 2023, the HCF supported with a review of all colleague policies, in addition to supporting the development of a new Carers Leave Policy, designed to provide flexibility for colleagues with caring responsibilities.

YourVoice Survey

YourVoice is our annual colleague engagement survey and is a critical part of our commitment to create an environment where colleagues feel listened to, and their opinions valued. It generates helpful insight, helping us to understand how colleagues are feeling and what we can do better for them.

81%
of colleagues
agreed that they "could feel comfortable being themselves at Hastings"

86%
of employees
agreed that they "could easily speak to their leader about work-related issues"

[further information on our approach is found here]>

Valuing our Customers

Our aim is to provide the best products, great value and a simple, straightforward service. We are committed to continuous improvement and constantly seek ways to be better for our customers.

Throughout 2023 we worked to ensure we were compliant with the FCA's new Consumer Duty regulation that sets higher standards of consumer protection across the financial services sector. We made significant investments to improve our digital journeys, developed innovative claims solutions, and continued to offer value for money products in a challenging economic climate, all whilst striving to achieve good outcomes for our customers.

Aligned to UN SDG

FCA's Consumer Duty

The FCA's Consumer Duty became effective in the UK from 31st July 2023. It sets out standards and requirements for firms to deliver good outcomes to customers, ensuring that companies act in good faith, avoid causing harm and support customers to pursue their financial objectives. A key part of the regulation is ensuring that customers understand the products and services they are purchasing. As part of our preparations for the new regulation, we carried out extensive testing of all our critical customer communications and digital journeys, which provided positive results, indicating a good level of customer understanding and experience. As part of our commitment to further improvement, we worked hard during the year to improve our communications and further simplify digital journeys for customers. We have developed and streamlined our Multicar sales journey for existing single car customers and further invested in our Home sales journey. Customer feedback on the journeys is positive, with customers rating the buying experience as 4.5 out of 5 for ease of use, across all our products.

Communication improvements

As a responsible insurance provider, we want to use our expertise and knowledge to support our customers at an even greater level. During the year we have worked to broaden our customer email communications to now provide a series of newsletters that provide advice and helpful reminders of things that could disrupt journeys, cause accidents, or damage properties. Our Home customer newsletters, for example, feature useful hints and guides to help customers prepare their homes for winter, when damage is more likely to occur. We offer advice on how to prevent freezing pipes, plus reminders of how to contact us, should a customer need our support.

Digital app focus

We are making strong progress with our ambition of being the best and biggest digital insurance provider in the UK with over 4.7m downloads of our mobile app, around 700,000 unique customer visits a month to our digital services and the majority of our car insurance customers now choose to make changes to their policy online.

53%

over 53% of all car mid-term adjustments completed via digital in October 2023

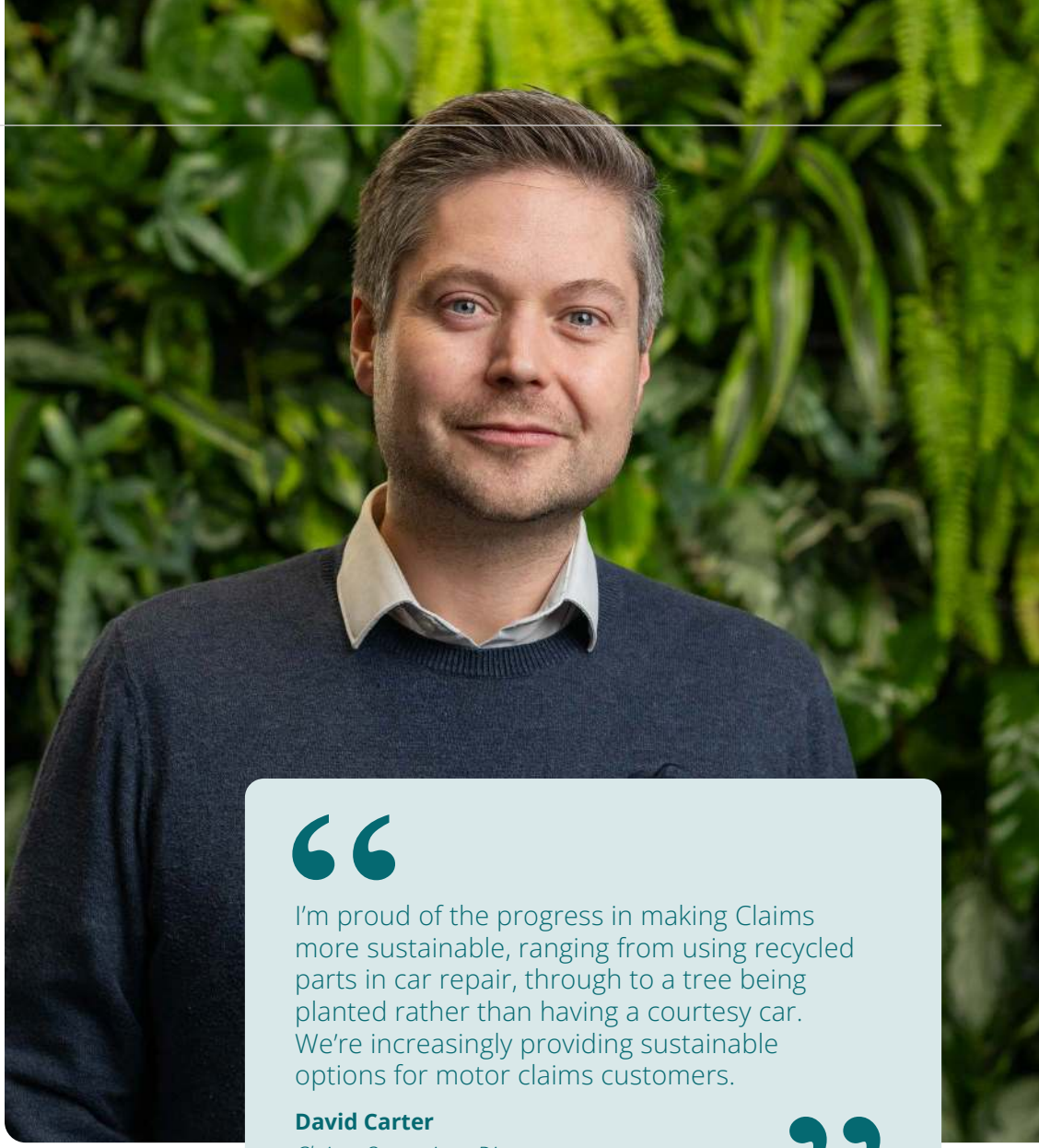
Communication

We understand that our customers may not have time to speak with us over the phone or chat with us via webchat. Therefore, in 2023, we developed and tested a smart messenger service, which allows customers to start conversations with us through our app. It creates notifications letting customers know when we've replied, allowing customers to carry on with their day, whilst still communicating with us at a time and pace that suits them. In 2024, we are planning to develop this channel further to complement our other available servicing channels, supporting across policy servicing and claims, so that customers can use it for updates, queries and to action non-immediate tasks.

Digital Claims

We recognise how important our support is to customers when making a claim. That is why we have further invested in our Hastings app for claims, so more customers can notify us of a vehicle-related incident via this channel than ever before. We have also made it possible for customers to manage their claim through our app, including the submission of evidence, witness and third party details and for some customers, arranging roadside assistance following an accident is now also possible direct from the app.

In 2024, we intend to build on this development by adding even more functionality for customers whose vehicles are write-offs. We will be making the whole journey, from notification to agreeing a settlement, possible via our Hastings app.



"I'm proud of the progress in making Claims more sustainable, ranging from using recycled parts in car repair, through to a tree being planted rather than having a courtesy car. We're increasingly providing sustainable options for motor claims customers."

David Carter
Claims Operations Director

Innovative Home claim solution

We are proud to be working with a supplier that is an industry-leading provider of innovative temporary structures which include kitchens, bathrooms and adapted living solutions. So, if a customer is a victim of fire or flood and renovation work is carried out to their property, they will be provided with a solution that reduces disruption to their lives, enabling them to remain at home with any pets and maintain their commute times to school or work.

There is no restriction on the size of these sustainable structures, which are reused, avoiding any unnecessary waste. The range of solutions can also accommodate anything that customers require, including solutions for customers with restricted mobility.

Fraud

Protecting our honest customers is a key priority for us and our Anti-Fraud team work hard to protect customers who fall victim of fraud as well as reduce our exposure to fraud. This year alone we have identified around £65m of fraudulent claims across Motor and Home, found and cancelled over 8,000 fraudulently purchased policies and validated just over 140,000 policies making corrections where customers have input inaccurate policy information at the point of purchase.

In 2023, we introduced a series of training videos for colleagues. These feature case studies, interviews and content from partnership agencies, designed to create awareness of fraud, highlighting what to look for across policies and claims and assisting colleagues in knowing what to do if they believe something is unusual. The series of videos will continue into 2024 as part of our continuous efforts to combat fraud.

[further information on our approach is found here]>

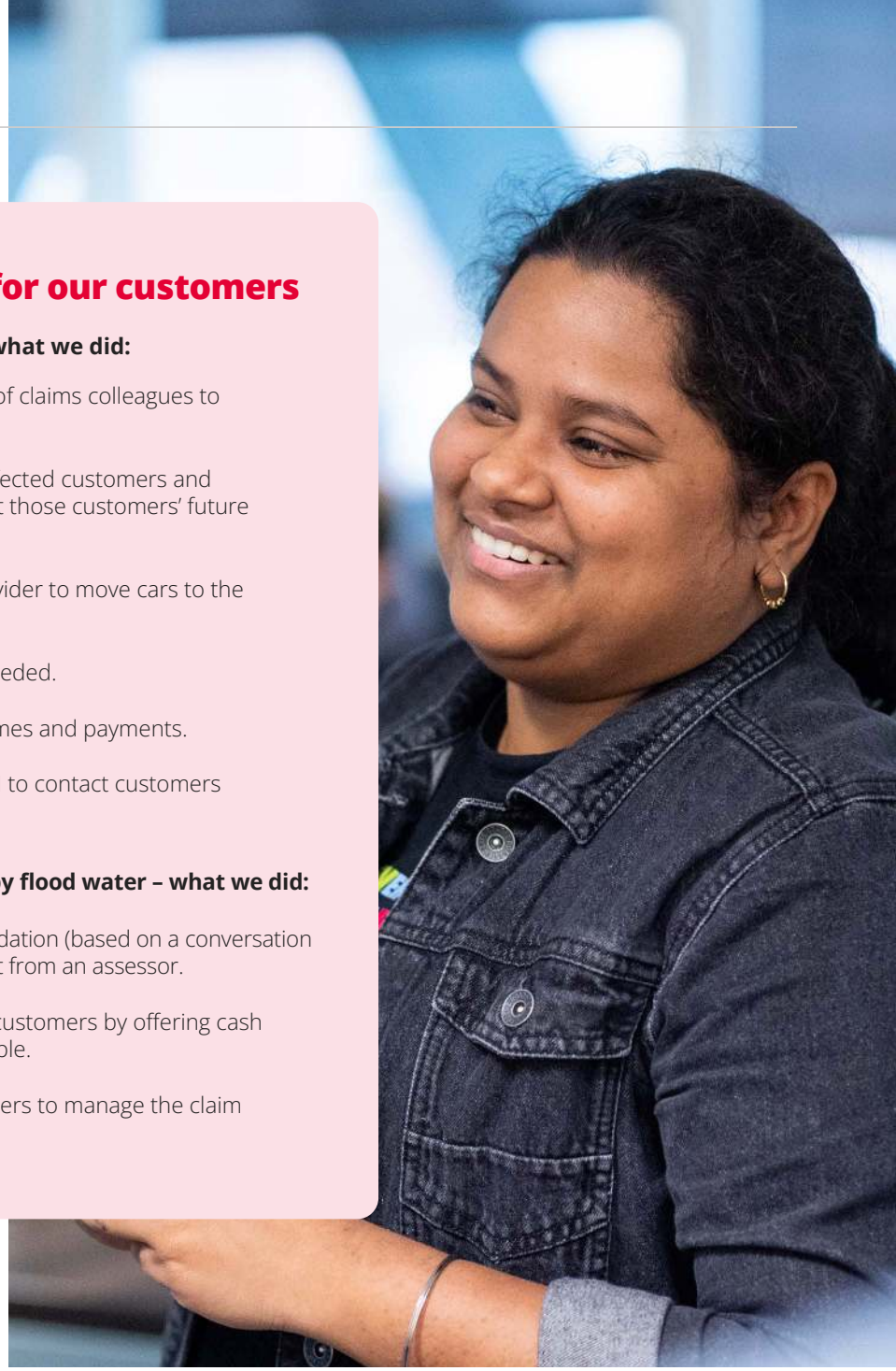
Doing the right thing, for our customers

Luton Airport fire, motor claims – what we did:

- Ring-fenced a dedicated team of claims colleagues to support affected customers.
- Waived any claim excess for affected customers and agreed to not negatively impact those customers' future No Claims Discount.
- Arranged with our hire car provider to move cars to the airport for customer use.
- Gave 7 days free hire where needed.
- Provided early total loss outcomes and payments.
- Proactively worked with the ABI to contact customers before they called us.

Storm Babet, Home claims caused by flood water – what we did:

- Approved alternative accommodation (based on a conversation with the customer) before a visit from an assessor.
- Reduced settlement times for customers by offering cash settlements as quickly as possible.
- Assigned individual claim handlers to manage the claim through to settlement.



Aligned to UN SDG

Supporting our Communities

We are passionate about using our skills and resources to serve and support our local communities.

We have focused our efforts this year, in the following ways:

Community grants and sponsorship

Our Community Grants scheme enables colleagues, community groups, schools and charities to apply for one-off assistance, which can be practical, professional or financial. Grant applications are welcome from anyone in the local community, including colleagues who can submit applications on behalf of the intended recipients. During the year we also provided sponsorship for events such as local Pride celebrations and carnivals.

Colleague fundraising and charitable activities

Hastings colleagues can raise funds for charities of their choosing and in 2023 we are proud to have supported fundraising activities that led to over £44,000 being raised, for 40 different good causes.

Pink Ribbon

The Pink Ribbon Foundation provides support and funding to breast cancer charities in the UK and our insurePink motor insurance product generates a donation to the Foundation for every policy sold. Our customers raised over £100,000 for this great cause in 2023.

We also held our annual one-day golf tournament for the 4th year, raising a further £6,800 for the Foundation.

Charitable giving

Via the Charities Aid Foundation's charitable giving payroll scheme, Hastings' colleagues donated over £30,000 to charity this year straight from their salary.

It is not just financial help that Hastings' colleagues provide for good causes. Over the last year, numerous items both new and used have been donated by colleagues for good causes and charities in need, ranging from animal food and warm blankets for an animal charity, to hats, scarves and tinned food items for a homeless charity. In December, colleagues participated in Give a Gift appeal and donated over 100 items to a local Bexhill homeless charity.

Community days

We encourage colleagues to play an active part in supporting their communities through our paid community day programme, whereby colleagues can volunteer their working hours to support a community charity or good cause. In 2023, colleagues participated in a wide range of social causes such as beach cleans, helping the homeless and book reading and completed over 1,300 days or almost 10,000 hours of activity, equating to over £182,000.

The Red Cross

We have provided a room free of charge at our Head Office in Bexhill, for the British Red Cross to store and distribute mobility aids to the local community.

Supporting the next generation

We take pride in supporting young people and education networks, using our skills and resources to make a difference for the generation of tomorrow. We work with local schools as well as national educational organisations supporting the delivery of programmes, training and workshops which are additional to the national curriculum.

Futuready

We continued our sponsorship and support of the Futuready mentoring programme. Hastings' colleagues can apply to be a mentor and those that are successful receive training to work with young people, sharing their personal journeys, successes and failures and bringing the real world of employment directly into the lives of young people.

In 2023, we worked with 223 year 9 (13-14 years) students from local schools, enabling them to consider positive life choices, motivating and inspiring them to become the best version of themselves. This is the 8th year that we have supported this programme and to date we have worked with over 1,800 young people and around 320 colleagues have had the opportunity to mentor a student.

FUTUREADY
Creating your best future

Earthwatch

Earthwatch is an environmental charity with science at its heart. It drives the change needed to live within our means in balance with nature. It helps to deliver community and environmental support whilst educating the next generation in outdoor settings, contributing to sustainability goals in supporting education, the community sponsorship, and the environment.

We have sponsored the following:

- Tech Earth Programme – an 18-month programme for trainee teachers, reaching around 2,000 pupils a year and up to 20,000 pupils in the wider school community.
- Creation of materials for age 14-16 year olds to support 'green careers' – available to around 7,350 educators for free across the UK.

[further information on our approach is found here]>

Aligned to UN SDG

Reducing our Environmental Impact

We remain committed to reducing our impact on the environment and continue to make progress towards meeting our net-zero target by 2050, or sooner.

Our carbon footprint

We are proud to have maintained our CarbonNeutral® company certification for a 4th consecutive year, although we recognise that this is a shorter term solution whilst we continue working towards reducing emissions across all three scopes to meet our net-zero goal and determine our science-based targets, which will be submitted to SBTi in the summer of 2024.

In 2023, we made further reductions to our operational emissions through the introduction of a new biogas energy contract for our Head Office in Bexhill which now runs on 100% renewable energy. Our landlord changed energy provider at our Leicester site during 2022 resulting in an increase in scope 2 emissions. This has been remediated during 2023 with all UK sites now supplied with renewable electricity.

We have continued to implement energy efficiencies by installing an in-depth energy use monitoring system, replacing lighting in our Leicester office to more efficient LED fittings and further mothballing of underutilised office space. These actions have resulted in a 11% decrease in scope 1 emissions.

Total organisational footprint 2023

2,550 tCO2e

Scope 1

166 tCO2e

Direct emissions from Hastings owned and controlled properties, including: Combustion of natural gas, biogas, gas oil (red diesel) and fugitive gasses from air conditioning and refrigeration units

Scope 2

245 tCO2e

Indirect emissions from generation of purchased electricity

Scope 3

2139 tCO2e

Indirect emissions from Hastings value chain (excluding emissions from suppliers and investments): Colleague working from home emissions, grey fleet (colleague cars used for business travel between sites), business travel, accommodation, waste, water supply and treatment

Hastings has offset 100% of these emissions and are certified CarbonNeutral® company.

CERTIFIED CARBON NEUTRAL® company

Reducing waste

We are proud that we continue to send zero waste to landfill from our UK sites. We offer a variety of waste collection points in our offices, including battery recycling and confidential paper waste is shredded and recycled into tissue paper. Waste oil from our canteens is collected by our caterers and recycled into biofuel and any compostable waste is also gathered and goes to an anaerobic digestor to create biogases, supporting a circular economy.

We also offer serviceable but used office furniture for donation and reuse to charities and community groups. This year we have donated over 100 items ranging from calculators to lockable storage.

During 2023, we focused our attention on single use plastic and furthered our commitment to sustainable catering by working with our suppliers to remove plastic drink bottles and provide metal and glass alternatives, reducing the amount of harmful microplastic entering circulation.

We recognise that small changes add up to a big difference, so have made a change to the toilet tissue rolls we use in our Bexhill Head Office (approximately 3,500 a year). We have opted for a roll that has a small, recyclable core, reducing the amount of damaging single use plastic and microparticles entering circulation. We plan to make this change in our Leicester office next year.

The Go Green Initiative

Go Green is our sustainability programme focused on supporting colleagues to reduce our environmental impact both on an individual and company-wide level and raise awareness of our sustainability initiatives across the business.

The programme comprises a network of Green Ambassadors, who support the programme by engaging with their colleagues, highlighting initiatives and championing activities to drive participation. They also act as a critical communication link, feeding back information and views from colleagues about any potential barriers and concerns.

During 2023, our Ambassadors took part in a development programme designed to provide scientific facts and knowledge about climate change and its impacts, whilst encouraging them to think about how they can address them as individuals, across their teams and as a business. The aim for 2024 is to invite colleagues from across the business to participate in this programme to support with our green educational and awareness aims and achieving our sustainability goals.

Sustainable supply chain

We are proud to have introduced recycled or 'green parts' into our approved repair network, and to date have fitted some form of recycled parts on around 3.5% of all repairs in 2023, saving over 44,000kg of CO_2 – that is the same as driving over 110,000 miles in the average car!

Our Green Earth scheme, which allows customers to have a tree planted on their behalf rather than taking the option of a courtesy car, has resulted in nearly 1,600 trees being planted in the restoration of historic UK forests since the scheme started in 2022.

[Further information on our approach is found here]>

> As a Hastings Green Ambassador, I can raise awareness, help make change happen and support in the development of our environmental approach. I strongly feel, we need to be kind to our planet, tread softly and leave a fitting legacy. We are only custodians after all; nothing is really ours.
>
> **Fernanda**
> *Customer representative*

Supporting sustainable and social solutions

With our commitment to set net-zero goals, we've chosen to focus on supporting a range of carbon removal and offset projects, supporting afforestation with additional social benefits as well as clean energy solutions, maintaining our CarbonNeutral® copmany status, whilst we work to reduce our emissions.

Degraded Grasslands Afforestation, Uruguay, VCS

The objectives of this project are sustainable wood production, land restoration and carbon removal through afforestation. The project has established a better form of land use combining sustainable forestry with cattle grazing. Trees are planted on higher and more degraded land, reducing further topsoil degradation, while cattle graze the lower unwooded areas.

Kulera REDD+ and Cookstoves, Malawai VCS + CCB

This project is targeting the conservation of approximately 170,000 hectares of forest and working with 45,000 households to reduce fuelwood use, develop sustainable livelihoods, increase community resilience to climate change and promote biodiversity.

Global Renewable Energy Portfolio

This option finances clean energy projects across the globe that displace electricity powered by fossil fuels, improving energy security.

Wind Power Portfolio, Turkey, Gold Standard VERs

This collection of projects supplies renewable power from wind directly into the grid. More than 120 wind turbines have been installed generating approximately 575,000 MWh of clean electricity every year.

[Further information on our approach is found here]>

CERTIFIED CARBON NEUTRAL® company
CarbonNeutral.com

> Carbon revenues have been used to purchase 100 bicycles for the community. This is enhancing community mobility (very few vehicles in Malawi) and allows villagers to monitor activities across the project area.

Aligned to UN SDG

Operating Responsibly

Ensuring that we operate lawfully and with integrity and transparency is critical to the success of our business. Whilst we work towards our ambition of being the best and biggest digital insurance provider in the UK, we are committed to making a positive impact, in a sustainable way. We believe this is vital to ensuring we meet the needs of our colleagues and customers and for running a successful business that respects and nurtures the environment and the societies within which we operate.

Ethical conduct

We work hard to ensure we operate ethically, lawfully and with integrity and we expect all colleagues to conduct themselves in this manner. We are committed to observing high standards of corporate governance. Our governance framework is supported by policies and standards across the business that are reviewed regularly.

During 2023, we conducted a review and refreshed our policies covering Anti-Money Laundering, Counter Terrorist Financing and Anti-Bribery and Corruption, which renewed our commitment to prevent or detect all forms of financial crime within our business. In addition, a full review of all colleague policies was undertaken, to ensure they are reflective of the new Consumer Duty requirements.

Responsible investment

Our investment decisions are a crucial factor in achieving our sustainability aims; we choose to invest responsibly by considering both environmental and ethical matters in our decision making. We committed to the SBTi in August 2022. This means we will set out science-based climate targets for our investments that will be submitted to the SBTi for validation no later than August 2024. Our current target for investments is to reduce carbon intensity in the core investment portfolio by 50% by 2030 and to net-zero by 2050 or sooner. During 2023, the carbon intensity (T CO2/$MM) of our portfolio exceeded the targeted 6% annual reduction in line with our 2030, 50% reduction target.

Governance forums oversee and review progress against these targets on a regular basis. To ensure progress, we have excluded new investments linked to coal extraction and thermal coal activity. We do not invest in tobacco and controversial weapons and regular reviews of our portfolio are completed to identify exposure to any other potentially sensitive industries.

We remain a signatory of the United Nations Principles of Responsible Investment (UN PRI), which ensures that Environmental, Social and Governance (ESG) criteria are integrated into the investment process. In 2023, we submitted our first voluntary report under the UN PRI. We are committed to maintaining an average ESG rating of "A" on our fixed income portfolio, based on MSCI ratings (scale CCC – AAA). During 2023, our fixed income portfolio's MSCI ESG rating was maintained above target at "AA".

We work with our investment managers to ensure that companies we invest in abide by the UN Global Compact principles and make decisions on remedial actions when we find these standards are not being followed. All our current external investment managers are signatories to the UN PRI and have responsible investment and active engagement policies.

Responsible data handling and cybersecurity

As a digitally-focused insurance provider we recognise that data security is vital and this year we continued to support a programme of investment into market leading technologies, to provide protection for customer data and services, including enhancing security approaches for customer logins to our online services.

Our internal information security programme also includes enhancements to colleague awareness training with integrations with Microsoft Teams for enhanced colleague engagement and the utilisation of market-leading crisis simulation platforms.

Our information security management system has been updated to assess control maturity against the recently released ISO027002:2022.

As part of our management of the cyber threat landscape and the evolving geopolitical situations, we maintained a state of security awareness in line with the UK National Cyber Security Centre (NCSC) guidance and continued to play an active part in the UK regulator-sponsored cyber co-ordination bodies, such as the FCA-sponsored Insurance Sector Cyber Co-ordination Group (ISCG) and the Bank of England-sponsored Cross Market Operational Resilience Group (CMORG).

A responsible supply chain

We have continued to work with our suppliers to highlight the importance of sustainability within our supply chain. We commenced a due diligence exercise with our critical suppliers, with results to date being good. We are working with suppliers where we found room for potential improvement, offering best practices advice and support. From 2024, we will introduce sustainability assessments in all operationally significant supplier annual reviews.

A new procurement platform has been introduced which will allow us to scale our engagement with suppliers in a more efficient way, allowing for faster due diligence assessments. It also provides a centralised reporting audit trail for sustainability-related communications with our suppliers, along with reporting benefits and the functionality to automate sustainability action plans relevant to suppliers' improvements needs.

For new suppliers, we have a fresh set of standards covering a range of corporate sustainability elements relating to human rights and environmental responsibilities, that we expect agreement to prior to engaging in any works.

We encourage continuous improvement from our suppliers. This year we have focused on Home claims and progressed a strategy of 'repair' rather than 'replace'. Flooring and carpets are areas where we feel we can make strides against our strategy and have worked on our ability to identify opportunities to repair carpets over replacement due to the impact of disposing carpets into landfill.

We continue to look for suppliers and partners who share our commitments to sustainability and ethical processes within their business, and who are willing to measure their carbon impact.

[further information on our approach is found here]>

"We are proud to source electricity from renewable sources for all of our UK sites and our Home Claims provision has been built on a green strategy basis of repair rather than replace. We're now heavily focused on understanding and reducing the impact our suppliers have on the environment."

James Ray
Head of procurement and supplier performance

Hastings

Hastings Group

2023 Sustainability Report