

United Nations Global Compact  
Communication on Progress  
November 2020



“NatWest Group is proud to have been a signatory of the United Nations Global Compact since 2003. We seek to align our policies and processes to the 10 Guiding Principles and advance the case for responsible business practices with customers, stakeholders, partners and within the communities that we serve.”

A handwritten signature in black ink, appearing to read "Alison Rose".

Alison Rose, Chief Executive

24<sup>th</sup> November 2020

## Implementing the Ten Principles into Strategies & Operations

Criteria	Comment	Reference
<p>1. The COP describes mainstreaming into corporate functions and business units</p>	<p>NatWest Group play a central role in the UK economy. That brings with it, a deep responsibility to the communities we serve and to wider society. That is why in February 2020 we announced our refreshed Purpose: We champion potential, helping people, families and businesses to recover, rebuild and, ultimately, to thrive.</p> <p>We have identified three areas of focus where we can make a substantial impact in addressing challenges that threaten to hold people, families and businesses back:</p> <ul style="list-style-type: none"> <li>• Enterprise, and the barriers that too many face to starting a business;</li> <li>• Learning, and what we can do to improve financial capability and confidence for our customers, as well as establishing a dynamic learning culture for our employees; and</li> <li>• Climate, and the role we can play in accelerating the transition to a low carbon economy.</li> </ul> <p>We continue to embed sustainable management practices and policies across our business, including the areas of human rights, labour, environment and anti-corruption.</p> <p>Topics relating to the UNGC’s objectives are covered throughout our 2019 Annual Report and Accounts and our Sustainable Banking pages on <a href="http://Natwestgroup.com">Natwestgroup.com</a></p>	<p><a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a></p> <p><a href="https://www.natwestgroup.com/">https://www.natwestgroup.com/</a></p>
<p>2: The COP describes value chain implementation</p>	<p>Our long-term success is dependent on serving our customers well and generating value for society through our products, services and facilities.</p> <p>Page 19 of our 2019 Annual Report and Accounts details how we help to create value, both to our customers but also the wider economy.</p> <p>For example, NatWest Group are one of the largest UK employers with a workforce of 64,397. In 2019 we paid £1.25 billion in tax to the UK government, which supports local government and local authority spending. We also issued our inaugural Social Bond, the first from a UK financial institution under ICMA’s Social Bond Principles, the proceeds of which finance or refinance lending to SME’s in some of the most deprived areas of the UK. In July, NatWest Group published its Social Bond Interim Impact Report,</p>	<p><a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a></p> <p><a href="https://www.natwestgroup.com/content/dam/natwestgroup/pdf/natwest-group-supplier-code-of-conduct.pdf">https://www.natwestgroup.com/content/dam/natwestgroup/pdf/natwest-group-supplier-code-of-conduct.pdf</a></p> <p><a href="https://www.natwestgroup.com/news/2020/07/natwest-group-s-social-bond-supports-nearly-7-000-new-jobs-.html">https://www.natwestgroup.com/news/2020/07/natwest-group-s-social-bond-supports-nearly-7-000-new-jobs-.html</a></p>

## Implementing the Ten Principles into Strategies & Operations

Criteria	Comment	Reference
	<p>providing a first look at the impacts of its inaugural social bond. The Group estimates that ~6,900 full-time jobs have been created through the amount of lending equivalent to the bond proceeds, in some of the most deprived parts of the UK, supporting more than 2,750 SMEs in 96 industry sectors, with one quarter of the estimated jobs being created in the health and social work sectors.</p> <p>We also create value through lending to both individuals and businesses. We have provided £9.9 billion of funding and financing to customers during 2018 and 2019 towards our commitment of £10 billion to the sustainable energy sector by the end of 2020. In 2019 we provided £29.7 billion total lending to SMEs and mid-corporates in Commercial Banking. Furthermore, we helped over 180,000 new customers complete their mortgage application in 2019, totalling over £31.8 billion worth of lending.</p> <p>The size of our business means we purchase goods and services from a large number of suppliers. Our relationships with these suppliers are based on fairness, transparency and integrity. We expect suppliers to uphold the same values and commitments that we have made in relation to human and environmental impacts and to manage their approach to sustainability effectively and for the long term. Our Supplier Charter highlights several supplier expectations across topics relating to Human Rights, Labour, Environment and Anti-Corruption.</p>	

## Robust Human Rights Management Policies & Procedures

Criteria	Comment	Reference
3: The COP describes robust commitments, strategies or policies in the area of human rights	<p>Our purpose is to champion potential, helping people, families and businesses to thrive. This lies at the core of our activity as we strive to create long term, deeper relationships with our customers. At the heart of our purpose is a clear commitment to people – to value, support, empower them and ultimately enable them to thrive. Respect for human rights is linked to our purpose, reflected in Our values and we seek to embed it throughout our business. We strive to be an open and inclusive business that supports respect for human rights whilst also seeking to identify and mitigate any negative impacts that</p>	<p><a href="https://www.natwestgroup.com/our-purpose/our-approach/business-human-rights-modern-slavery.html">https://www.natwestgroup.com/our-purpose/our-approach/business-human-rights-modern-slavery.html</a></p>
4: The COP describes effective management		<p><a href="https://www.natwestgroup.com/content/dam/natwestgroup/pdf/human-rights-approach.pdf">https://www.natwestgroup.com/content/dam/natwestgroup/pdf/human-rights-approach.pdf</a></p>

## Robust Human Rights Management Policies & Procedures

Criteria	Comment	Reference
<p>systems to integrate the human rights principles</p>	<p>our activities may have on individuals or communities.</p>	
<p>5: The COP describes effective monitoring and evaluation mechanisms of human rights integration</p>	<p>At NatWest Group, we understand that respecting human rights is the right thing to do. We do not tolerate or condone abuse of human rights within our business, supply chain or within our sphere of influence. Through our policies and approach, we seek to identify and mitigate adverse human rights abuses relating to our colleagues, suppliers and customers.</p> <p>Our approach to respect human rights is aligned to our purpose and core values of ‘Doing the right thing’ and ‘Thinking long term’. It is built around:</p> <ul style="list-style-type: none"> <li>• our commitment to comply with international human rights legislation and standards</li> <li>• our respect for employment legislation and policies that create a safe, inclusive, respectful workplace</li> <li>• our Environment, Social and Ethical (ESE) risk acceptance positions on industry sectors where enhanced due diligence is conducted</li> <li>• our policies which strive to align our high-risk commercial customers’ and suppliers’ behavior with our own standards.</li> </ul> <p>The statement applies to NatWest Group plc including its subsidiaries.</p> <p>Understanding the importance of human rights, our approach is guided by the United Nations Guiding Principles on Business and Human Rights and has been informed by The Equator Principles; International Labour Organisation’s Declaration of Fundamental Principles and Rights at Work; OECD Guidelines for Multinational Enterprises; United Nations Global Compact; Universal Declaration of Human Rights; Women Empowerment Principles and the Living Wage Foundation. Through our efforts to respect human rights, we aim to support the UN Sustainable Development Goals (SDG), a global agenda to end poverty, protect the planet and ensure prosperity for all.</p> <p>NatWest Group seeks to engage with a range of external stakeholders to gain their insight and feedback on our policies on a range of issues including human rights. This engagement is carried out by teams across the Group and helps</p>	

## Robust Human Rights Management Policies & Procedures

Criteria	Comment	Reference
	<p>us to better understand the impacts that our business may have on individuals or communities. Through this process Non-Governmental Organisations (NGOs) or communities can raise any concerns directly with us. These concerns are investigated, and we aim to respond quickly and fairly to any feedback we receive. We supported the adoption of the Modern Slavery Act (2015) in the UK and continue to tackle modern slavery by monitoring our financing and supply chain against involvement in this activity. We achieve this through continued implementation of policies covering our colleagues, suppliers and customers. Our most recent annual Modern Slavery Act Statement can be found on our website.</p> <p>At NatWest Group, we expect suppliers to uphold the same values and commitments we have in relation to human rights. These requirements are set out in our Supplier Charter. Adherence to these commitments required as part of our supply chain tendering process and throughout the life of the supplier engagement. If a supplier is unable to comply with the human rights commitments within the Supplier Charter, this is raised through the Group's operational risk process. This includes engagement with the supplier to offer support and identify possible remediation measures.</p> <p>Our Human Rights Position statement is signed by the Group Chairman and Group CEO.</p>	

## Robust Labour Management Policies & Procedures

Criteria	Comment	Reference
6: The COP describes robust commitments, strategies or policies in the area of labour	Our long-term success depends on us building and nurturing a healthy culture where colleagues are engaged, and where our working environment is underpinned by robust risk behaviours.	<a href="https://www.natwestgroup.com/who-we-are/working-at-natwest-group/creating-a-healthy-culture.html">https://www.natwestgroup.com/who-we-are/working-at-natwest-group/creating-a-healthy-culture.html</a>
7: The COP describes effective management systems to integrate the labour principles	Our Values guide the way we identify the right people to serve our customers well, as well as how we manage, engage and reward our colleagues.	

## Robust Labour Management Policies & Procedures

Criteria	Comment	Reference
<p>8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration</p>	<p>These values are at the heart of Our Code (the Group’s Code of Conduct).</p> <p>To make sure we really live Our Values, we reinforce them in our policies, processes, communications, training and leadership role-modelling. The YES check is a simple tool that asks five questions to guide the thinking behind our decisions and actions. Our customers expect each of us to exercise good judgement and to do the right thing. We use our values to help us think through decisions and make sure we do the right thing. When in doubt, we use the YES check for guidance.</p> <p>We continue to monitor our progress against our goals – gathering feedback from colleagues through our listening strategy, which includes our colleague opinion survey, a Colleague Advisory Panel that connects directly with our Board and ‘Workplace’, our social media platform. We also track metrics and key performance indicators, and feedback from regulators and industry bodies, including the Banking Standards Board’s (BSB) annual assessment of culture in the UK banking sector where we have continued to make good progress, with improvements in all 9 BSB categories.</p> <p>Where colleagues wish to report concerns relating to wrongdoing or misconduct, one of the ways in which they can do this is by raising their concerns via Speak Up, the bank’s whistleblowing service. Our colleague opinion survey has shown the highest ever score when asking colleagues if they feel safe to speak up, as well as an understanding the process of how they do that. In 2019, 458 cases were raised compared to 480 in 2018.</p> <p>We are proud to be building an inclusive bank which is a great place for all colleagues to work. Our inclusion guidelines and plans apply to all our colleagues globally – ensuring that everyone feels included and valued, regardless of their background.</p> <p>Diversity and inclusion is at the core of NatWest Group culture. NatWest Group is recognised in Bloomberg’s Global Gender Equality Index, holds Leader level in the UK Government’s Disability Confident Scheme and is regularly in the top Stonewall Global equality index. The inclusion</p>	<p><a href="https://www.natwestgroup.com/who-we-are/working-at-natwest-group/building-a-more-inclusive-bank.html">https://www.natwestgroup.com/who-we-are/working-at-natwest-group/building-a-more-inclusive-bank.html</a></p> <p><a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a></p> <p><a href="https://www.rbs.com/rbs/news/2020/06/message-from-ceo-alison-rose.html">https://www.rbs.com/rbs/news/2020/06/message-from-ceo-alison-rose.html</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/society/compliance-and-conduct.html">https://www.natwestgroup.com/our-purpose/society/compliance-and-conduct.html</a></p>

**Robust Labour Management Policies & Procedures**

Criteria	Comment	Reference
	<p>category in the colleague opinion survey continues to score highly, and around 20,000 colleagues who are members of employee-led networks continue to educate and drive the inclusion conversation.</p> <p><b>Gender Balanced</b>                      Our goal is to have at least 30% women in our top three leadership layers (c.4,000 roles) in each of our businesses by the end of 2020 and achieve a full gender balance across the bank by 2030.</p> <p>As at 31 December 2019, 10 of our 12 business areas have 30% or more women in their top three leadership layers. Our global aggregate CEO-3+ (target) position is 35%, a 6% uplift since targets were introduced. Our top c. 4,000 roles are 44% women, representing a 12% uplift since we started work on the agenda.</p> <p>The boards of NatWest Group plc and NatWest Holdings Limited meet consecutively and share a largely common membership. When considered together, the director population across both boards currently meets the Parker target and exceeds the Hampton-Alexander target with a female representation of 44%.</p> <p>We are active contributors to thought leadership externally – for example, HMT’s Women in Finance Charter and McKinsey. We are a Times Top 50 Employer for Women and rated in the top organisations in Bloomberg’s Global Gender Equality Index. We also have an investor, Pax Ellevate, on the basis of our gender performance. We’ve over 600 Women in Business (WIB) specialists among our frontline bankers, accredited by the Chartered Banker Institute and certified by Everywoman, who offer bespoke mentoring, networking and professional business advice to women-led and owned SMEs.</p> <p>Following publication in March 2019, the Rose Review has made real progress in implementing the 8 initiatives recommended. Working closely with HM Treasury, the Department for Business, Energy and Industrial Strategy, and numerous public and private sector organisations, the initiatives have started to make a tangible impact in breaking down the barriers to female entrepreneurship in the UK. A report will be published in March 2020 which updates the public on the progress that has been made on all 8</p>	

**Robust Labour Management Policies & Procedures**

Criteria	Comment	Reference
	<p>initiatives. Our NatWest Group Women Network has c.9,000 members and we have c.3,000 male allies.</p> <p>Demonstrating our commitment to creating gender balance at all levels of the organisation, NatWest Group was one of the first signatories to HM Treasury Women in Finance Charter (PDF 189 KB) requiring organisation to publicly report on progress against the targets they have in place.</p> <p>As at 30 June 2019, we reported to HM Treasury Women in Finance Charter that the proportion of women in the top three layers of our organisation was 36%, representing a 4% increase from when we first published our commitment to the Charter in September 2016 and a 7% increase since we introduced formal targets at the end of 2014. This means we remain on track to meet our 2020 target of having at least 30% female in senior roles in each of our business areas (8 of 12 business areas have already achieved this).</p> <p>Further, our pipeline (CEO-4+ / top 4/5000 roles) has increased by 12% to 44% since we introduced formal targets and we remain committed to achieving full gender balance – at all levels – by 2030.</p> <p><b>Inclusive Culture</b></p> <p>We have a range of integrated propositions in place across our agendas, e.g. our ComeBack programme for returning female talent to the workforce, where we have a 90%+ conversion rate to permanent roles, which we are we are extending to also focus on BAME.</p> <p>Our goal is to become ‘disability smart’ and to remain in the upper quartile of disability performance in the UK. We are ranked as a Leader level in the UK government’s Disability Confident Scheme. NatWest Group signed up to become a member of The Valuable 500, a global movement which strives to place disability inclusion at the heart of business strategy with consistent attention at board level. We continue to support the Scottish Business Disability Forum Conference and in January 2020 hosted for the third year in a row, bringing together our colleagues, customers and the wider community to focus on the subject of disability.</p>	

### Robust Labour Management Policies & Procedures

Criteria	Comment	Reference
	<p>Our disability network, Enable, has over c.1,100 members.</p> <p>We're improving the proportion of BAME/non-white colleagues in senior roles – but we've more to do. Our positive action approach (PDF 99KB), which we benchmark externally, is helping to ensure that our people policies and processes are inclusive and accessible – from how we attract and recruit, to how we reward and engage colleagues. We're confident this approach is the right one and through time, it will help us achieve a better balance of diversity throughout the organisation. Our goal is to identify, develop and pull through at least 14% non-white leaders by 2025. Externally, we are a Top Ten Employer in the Investing in Ethnicity Maturity Matrix in recognition of our positive action approach and the progress we are making. We also received an Outstanding Employer nomination.</p> <p>We have worked hard to understand the issues our LGBT+ colleagues and customers face and engage with them regularly to demonstrate that NatWest Group is a welcoming place, regardless of sexual orientation or gender identity.</p> <p>In response to the Black Lives Matter movement, NatWest Group CEO Alison Rose stated 'I am committed to building a positive and inclusive culture and am clear that achieving that is a fundamental responsibility of every leader in the bank. What the reaction to events in the US shows is that people still see too many instances where discrimination or injustice are blighting people's lives. It shows that the worst thing we can do is be complacent, or believe we have solved the issue. At our best, we are an open, inclusive, progressive organisation, but until that is everyone's experience, every time, we have more to do.'</p>	

### Robust Environmental Management Policies & Procedures

Criteria	Comment	Reference
9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	Responding to climate change is the biggest challenge of past and present generations. At NatWest Group, we're taking bold actions to drive the UK transition to a low carbon economy.	<a href="http://www.natwestgroup.com/our-purpose/climate.html">www.natwestgroup.com/our-purpose/climate.html</a>

## Robust Environmental Management Policies & Procedures

Criteria	Comment	Reference
<p>10: The COP describes effective management systems to integrate the environmental principles</p>	<p>In February 2020 we set out a new ambition to be a leading bank in the UK &amp; RoI helping to address the climate challenge; by making our own operations net carbon zero in 2020 and climate positive by 2025, and by driving material reductions in the climate impact of our financing activity. We're setting ourselves the challenge to at least halve the climate impact of our financing activity by 2030 and intend to do what is necessary to achieve alignment with the 2015 Paris Agreement. To do this, we plan to quantify our climate impact and set sector-specific targets by 2022. Further to this, we will integrate the financial and non-financial risks arising from climate change into our Enterprise Wide Risk Management Framework.</p>	<p><a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a></p>
<p>11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</p>	<p>Our ambition to be a leading bank in the UK and RoI helping to address the climate challenge is supported by the following key areas of activity:</p> <p>a. Helping to end the most harmful activity: We plan to stop lending and underwriting to companies with more than 15% of activities related to thermal and lignite coal; unless they have a credible transition plan in line with the 2015 Paris Agreement in place by end of 2021. We plan a full phase-out from coal by 2030. Also, to stop lending and underwriting to major oil &amp; gas producers unless they have a credible transition plan aligned with the 2015 Paris Agreement in place by the end of 2021.</p> <p>b. Accelerating the speed of transition: (i) support our UK &amp; RoI mortgage customers to increase their residential energy efficiency and incentivise purchasing of the most energy efficient homes, with an ambition that 50% of our mortgage book has an EPC or equivalent rating of C or above by 2030. (ii) we plan to collaborate cross industry, and create products and services to enable customers to track their carbon impact. (iii) Coutts Asset Management has set a target to reduce the level of carbon intensity for the equity component of their portfolios by 25% by end of 2021. (iv) support the drive to decarbonise UK transport through our Mobility Opportunity Group. This is a multi-disciplined centre of excellence working across the Bank and the emerging mobility eco-system to enable us to invest in the development of our product and service offering, in addition to enhancing our market and risk insight to maximise the support for the decarbonisation of UK surface transport.</p>	<p><a href="https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/supplier-charter.pdf">https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/supplier-charter.pdf</a></p> <p><a href="https://www.natwestgroup.com/news/2020/07/1ord-stern-appointed-as-independent-climate-advisor-to-natwest-group.html">https://www.natwestgroup.com/news/2020/07/1ord-stern-appointed-as-independent-climate-advisor-to-natwest-group.html</a></p>

## Robust Environmental Management Policies & Procedures

Criteria	Comment	Reference
	<p>c. Championing climate solutions: we will provide additional £20 billion funding and financing for Climate and Sustainable finance between 2020-2022. Additionally, we will aim to reserve at least 25% of the spaces 39 in our Entrepreneur accelerator hubs for businesses where their core offering supports sustainable environmental activities (including climate solutions).</p> <p>d. Embedding climate into our culture and decision making: We are revising executive remuneration to reflect achievement of climate targets.</p> <p>Progress made on Climate Change since we launched our strategy in February:</p> <ul style="list-style-type: none"> <li>• Climate change expert, Lord Nicholas Stern, has been appointed as an independent climate change advisor to NatWest Group.</li> <li>• Became a signatory to the United Nations Environment Programme Finance Initiative's Collective Commitment to Climate Action (CCCA). The CCCA sets out how banks will align their services and lending with the objectives of the Paris Agreement.</li> <li>• In July, we became the first major UK bank to sign up to the Partnership for Carbon Accounting Financials (PCAF).</li> </ul> <p>The NatWest Group plc Board approved the allocation of the responsibility for identifying and managing financial risks from climate change to the Group Chief Risk Officer (CRO) who has been tasked with ensuring that the financial risks from climate change are adequately reflected in risk management frameworks, and that the Bank can identify, measure, monitor, manage, and report on its exposure to these risks. In the second half of 2019, the existing Climate Change Working Group (CCWG) was formalised into a NatWest Group wide Climate Change Programme (GCCP).</p> <p>In order to take our emissions to net zero in 2020 we will offset all Scope 1, 2 and 3 (business travel) emissions from our own operations this year through the purchase of internationally recognised carbon credits.</p> <p>We will maintain this level of offsetting and simultaneously reduce emissions from our own operations a further 25% by 2025 from our 2019</p>	

## Robust Environmental Management Policies & Procedures

Criteria	Comment	Reference
	<p>baseline, so that we offset more carbon than we emit. This will move us beyond net zero to become climate positive.</p> <p>We will also place more focus on our value chain maintaining Zero Waste to Landfill United Kingdom and Republic of Ireland (UK &amp; RoI), eliminating unnecessary single-use plastics, and reducing waste 20% by 2025.</p> <p>The activities of our customers can have environmental, social and ethical (ESE) impacts – including polluting activities and the potential for human rights infringements. To help us assess and manage these risks, we operate an ESE risk management framework which has been live since 2011. As part of this process, we conduct due diligence on customers, projects and transactions that present heightened ESE risk. We also expect our customers to adhere to local and international environmental, social and human rights standards.</p> <p>The NatWest Group Supplier Charter sets out the sustainability requirements that suppliers must meet in order to do business with us. The Supplier Charter replaced the Supplier Code of Conduct on 22nd September 2020. The Chief Administrative Officer is the Accountable Executive of our Supplier Charter, which is reviewed annually. Regular review ensures that the Charter continues to help us become a more sustainable business, delivering better outcomes for our customers, our shareholders and the communities in which we operate.</p> <p>Our expectations of suppliers include:</p> <ul style="list-style-type: none"> <li>• Abide by all legislation and regulation relating to the protection of the environment</li> <li>• Consider how your business could support the transition to net zero in line with the 2015 Paris Agreement</li> <li>• Consider how your business could support our transition to net zero in 2020 and climate positive by 2025</li> </ul> <p>Please see our Supplier Charter for a full list of supplier expectations with regard to the environment.</p>	

## Robust Anti-Corruption Management Policies & Procedures

Criteria	Comment	Reference
12: The COP describes robust commitments, strategies or policies in the area of anti-corruption	NatWest Group has zero tolerance to actions and activities that knowingly breach bribery and corruption regulations, laws, and disregard for the Anti-Bribery & Corruption (ABC) Policy and is firmly committed to acting with integrity, due skill, care, diligence and fairness in all its business dealings and commercial relationships. NatWest Group requires compliance with the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977 as well as locally applicable laws and regulations. Our revised ABC policy was published in July 2020.	<a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a>
13: The COP describes effective management systems to integrate the anti-corruption principle		<a href="https://www.natwestgroup.com/content/dam/natwestgroup/pdf/statement-on-anti-bribery.pdf">https://www.natwestgroup.com/content/dam/natwestgroup/pdf/statement-on-anti-bribery.pdf</a>
14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	<p>NatWest Group is firmly committed to ensuring that it acts responsibly and ethically, with integrity, fairness, due skill, care and diligence both when pursuing its own business opportunities and when awarding business. NatWest Group ABC Policy and associated Mandatory Procedures apply to all businesses and staff globally and NatWest Group requires compliance with these obligations whenever acting for or on behalf of NatWest Group.</p> <p>The ABC Programme ensures NatWest Group conducts its business fairly and lawfully and states that NatWest Group will not tolerate:</p> <ul style="list-style-type: none"> <li>• the giving or receiving of improper (monetary or other) inducements; or</li> <li>• any other inappropriate practice which might be perceived to improperly influence conduct.</li> </ul> <p>With regards to our colleagues, NatWest Group operates a Speak Up Policy to ensure individuals can confidentially report suspicions of bribery or corruption. ABC training is mandatory for all staff on an annual basis, with targeted training appropriate for certain roles.</p> <p>NatWest Group has adopted a code of conduct which is supplemented by a number of key policies and guidance dealing with matters including, among others, antibribery and corruption, anti-money laundering, sanctions, confidentiality, inside information, health, safety and environment, conflicts of interest, market conduct and management records. This code of conduct applies to all officers and employees and is fully aligned to the PRA and FCA Conduct Rules which apply to all directors. The Code of Conduct</p>	<p><a href="https://www.natwestgroup.com/our-purpose/downloads.html">https://www.natwestgroup.com/our-purpose/downloads.html</a></p> <p><a href="https://www.natwestgroup.com/content/dam/natwestgroup/pdf/supplier-charter.pdf">https://www.natwestgroup.com/content/dam/natwestgroup/pdf/supplier-charter.pdf</a></p>

## Robust Anti-Corruption Management Policies & Procedures

Criteria	Comment	Reference
	<p>is available to view on RBS's website at <a href="http://natwestgroup.com">natwestgroup.com</a>.</p> <p>Targeted credit risk, compliance &amp; conduct risk and financial crime risk activities are subject to testing and monitoring to confirm to both internal and external stakeholders – including the Board, senior management, the customer-facing businesses, Internal Audit and RBS's regulators – that risk owned policies and procedures are being correctly implemented and operating adequately and effectively.</p> <p>Anti-money laundering, sanctions, and anti-bribery and corruption processes and controls are also tested and monitored. This helps provide an independent understanding of the financial crime control environment, whether or not controls are adequate and effective and whether financial crime risk is appropriately identified, managed and mitigated.</p> <p>As a bank, we recognise that we are exposed to reputational risks which can arise from a range of sources. These include our customers and the countries where they operate, provision of products and transactions, our operations and infrastructure as well as external factors. Our Adult Entertainment ESE policy for example, acknowledges the industry exposure to crime and money laundering risk. Our ESE Sector Risk policies can be viewed in our downloads section <a href="#">here</a>.</p> <p>Our 2020 Supplier Charter highlights that we expect our suppliers to eradicate corruption, extortion or bribery in their own organisation and supply chain.</p>	

## Taking Action in Support of Broader UN Goals and Issues

Criteria	Comment	Reference
15: The COP describes core business contributions to UN goals and issues	<p>This year we became one of the Founding Signatories of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking, committing to begin strategically aligning our business with the UN Sustainable Development Goals (SDGs) and the 2015 Paris Agreement. We have been reviewing specific SDGs with relevance to our Purpose focus</p>	<p><a href="https://www.natwestgroup.com/our-purpose/our-approach/external-commitments.html">https://www.natwestgroup.com/our-purpose/our-approach/external-commitments.html</a></p> <p><a href="https://www.unepfi.org/members/https://www.u">https://www.unepfi.org/members/https://www.u</a></p>

## Taking Action in Support of Broader UN Goals and Issues

Criteria	Comment	Reference
	<p>areas of Climate Change, Enterprise and Learning.</p> <p>We have been signatories of the United Nations Global Compact since 2003.</p> <p>We welcome the growing prominence of the Sustainable Development Goals (SDGs). In 2019, we engaged a range of stakeholders to align our future Purpose and forward commitments in the areas of; supporting learning, supporting enterprise and the climate change challenge, with UN Sustainable Development Goals.</p> <p>In November 2019, we issued our inaugural Social Bond; of which the eligibility portfolio is aligned to the UN Sustainable Development Goals. In May 2020, we also issued our first Green Bond in 2020, of which the allocation report can be found here.</p> <p>We are championing climate solution with an additional £20bn funding and financing for Climate and Sustainable Finance (2020-2022). We have published the <a href="#">Climate and Sustainable Finance Inclusion Criteria (PDF 86KB)</a> which outlines the eligibility criteria for the commitment. This also aligns and supports a number of Sustainable Development Goals.</p> <p>Sir Howard Davies, our Chairman commented: “We’re very conscious of our obligations under the UN Sustainable Development Goals. We recognise the importance of understanding the implications of climate change, and what that will do to our business and to the business of our customers. We have a strong track record in alternative energy projects. And overall we are working to build a more sustainable bank in a very broad societal, economic and environmental context.”</p> <p>Coutts signed up to the Principles for Responsible Investment (PRI), an independent organisation supported by the United Nations, which encourages investors to use responsible investing to enhance returns and better manage risks.</p> <p>We also run programmes and initiatives aimed at supporting communities, such as improving financial capability through the development of good money management skills which are related to broader UN goals. As part of our new <a href="#">purpose and strategy</a>, we have committed to improving the financial health of 2.5 million people each year</p>	<p><a href="https://nglobalcompact.org/what-is-gc/participants/8080-Royal-Bank-of-Scotland-">nglobalcompact.org/wh at-is- gc/participants/8080- Royal-Bank-of- Scotland-</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/our-approach/un-sustainable-development-goals.html">https://www.natwestgro up.com/our- purpose/our- approach/un- sustainable- development-goals.html</a></p> <p><a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.html">https://investors.rbs.co m/~media/Files/R/RBS- IR/results- center/annual-report- 2019.html</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/society/financial-capability.html">https://www.natwestgro up.com/our- purpose/society/financi al-capability.html</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/society/enterprise.html">https://www.natwestgro up.com/our- purpose/society/enterpr ise.html</a></p> <p><a href="https://www.natwestgroup.com/content/dam/natwestgroup.com/natwestgroup/pdf/supplier-charter.pdf">https://www.natwestgro up.com/content/dam/na twestgroup.com/natwe stgroup/pdf/supplier- charter.pdf</a></p> <p><a href="https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/green-social-and-sustainability-bonds/rbs-allocation-190529.pdf">https://investors.natwes tgroup.com/~media/Fil es/R/RBS-IR-V2/green- social-and- sustainability- bonds/rbs-allocation- 190529.pdf</a></p>

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Criteria	Comment	Reference
	<p>through financial capability interactions, and helping 2 million additional customers to start saving by 2023.</p> <p>Now in its 25<sup>th</sup> year, MoneySense has helped over 8.7 million young people learn about money. It is our flagship financial education programme for young people, delivering learning to 5-18 year olds, both in the classroom and at home. MoneySense resources are used in one in three schools across the UK, and in 2019 our employees helped over 90,000 young people learn about money through our MoneySense volunteer workshops.</p> <p>As part of our new purpose and strategy, we are committed to helping create an additional 50,000 new businesses across the UK by 2023, through inspiring and supporting over 500,000 people to consider enterprise as a career option.</p> <p>Our focus will be on under-represented populations, with women making up at least 60% of those we support and more than 20% being Black, Asian, Minority Ethnic-led businesses. We will also make sure that at least 75% of the people we support are in regions outside of London and the South East, and that 10% of those inspired and supported will be social purpose-led.</p> <p>Enterprise highlights:</p> <ul style="list-style-type: none"> <li>• Since the Bank brought its Entrepreneur Accelerator network in-house in 2018, a minimum of 1,390 jobs have been created by businesses supported through the Accelerator programme. 1,000 of these jobs were created between January and December 2019.</li> <li>• In March 2019, the Rose Review into Female Entrepreneurship was launched by NatWest Group CEO Alison Rose. The Review made a series of recommendations to help remove barriers facing women who want to start a business. At the time of the launch we committed to helping create an additional 65,000 new female-led businesses by 2025.</li> <li>• To help more women get to the business starting line, in March we launched Back Her Business, the first female-only crowdfunding programme that supports would-be entrepreneurs across the UK. So</li> </ul>	

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Criteria	Comment	Reference
	<p>far 4,631 women have been supported and inspired to consider enterprise as a career option. 510 new female-led businesses have been started, 454 female-owned projects have successfully crowdfunded, and we have gifted £573,333 towards these projects.</p> <ul style="list-style-type: none"> <li>• In July [YEAR], NatWest and Royal Bank of Scotland were founding signatories of the Investing in Women Code which has since been signed by a total of 22 major banks and investment firms.</li> <li>• In September, the bank's Experts in Residence programme was rolled out in partnership with 38 Local Enterprise Partnerships (LEP). As part of this programme, each of the LEPs will benefit from a local NatWest expert spending up to 10 hours per week in each LEP during which time they will be sharing advice and hosting events with local enterprises with a focus on supporting female business leaders.</li> <li>• The bank's Women in Business programme has been running for nearly 15 years. We currently have over 600 independently accredited Women in Business specialists who provide mentoring and financial guidance, as well as support to female entrepreneurs. In 2019, more than 300 business support events were held. Through October 2019, £136m in new lending was enabled through the Women in Business programme which was an 8% increase on the previous year.</li> <li>• Through our Boost programme, our Business Growth Enablers ran more than 3,201 local events in conjunction with our partners, attended by more than 123,032 small businesses, on a variety of topics including cybersecurity, fraud, finance, tax and women in business</li> </ul> <p>Our Supplier Charter replaces our previous Supplier Code of Conduct and sets out our aims and expectations in the areas of ethical business conduct, human rights, environmental sustainability and diversity and inclusion.</p>	

## Taking Action in Support of Broader UN Goals and Issues

Criteria	Comment	Reference
<p>16: The COP describes strategic social investments and philanthropy</p>	<p>Our recorded community investment for 2019 was £36.3 million (UK only £34.8 million), measured using the London Benchmarking Group standard.</p> <p>This year NatWest’s social lending charity, NatWest Social &amp; Community Capital (S&amp;CC) celebrated its 20th anniversary, delivering impact through lending across the UK to social enterprises who are unable to borrow from mainstream banks. In 2019, we approved 12 loans with a value of £2.3m and announced the launch in 2020 of seven £20,000 regional grants to celebrate our 20th year</p> <p>Many of our employees see helping the local community as part of their day job, and we encourage them to take part in giving and volunteering programmes. In 2019, we asked them to support us in reaching our bank-wide community targets:</p> <ul style="list-style-type: none"> <li>• Through the generosity of our employees, charities received £4,340,537</li> <li>• Our employees completed over 90,000 hours of volunteering during business time</li> </ul> <p>In 2020, we partnered with the National Emergencies Trust to raise £10 million to help communities across the UK respond to the effects of coronavirus. Since April 2020, NatWest donated £5m, matching £5m of support from customers and colleagues to make a total of £10m.</p>	<p><a href="https://www.natwestgroup.com/our-purpose/society/giving-and-volunteering.html">https://www.natwestgroup.com/our-purpose/society/giving-and-volunteering.html</a></p> <p><a href="https://www.rbs.com/rbs/sustainability/responsible-business/enterprise.html">https://www.rbs.com/rbs/sustainability/responsible-business/enterprise.html</a></p> <p><a href="https://www.natwestgroup.com/content/dam/natwestgroup/pdf/nwg-our-purpose-in-action.pdf">https://www.natwestgroup.com/content/dam/natwestgroup/pdf/nwg-our-purpose-in-action.pdf</a></p>
<p>17: The COP describes advocacy and public policy engagement</p>	<p>We support various UK Government initiatives and engage in public policy on a range of issues including on our focus areas of enterprise and financial capability.</p> <p>During 2019, over 200,000 consumers and colleagues have completed Friends Against Scams training or a fraud awareness workshop in school through the bank.</p> <p>Our team of 98 Community Bankers work with local organisations such as Age UK, Trading Standards, Citizens Advice and local police representatives to provide face-to-face support for our customers and local communities.</p> <p>We continue to work closely with independent debt advice and charity partners to support and refer customers who need specialist support. In 2019, we continued to directly refer our most vulnerable customers (referring over 700 customers in 2019)</p>	<p><a href="https://www.natwestgroup.com/our-purpose/society/financial-capability.html">https://www.natwestgroup.com/our-purpose/society/financial-capability.html</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/society/customers-in-vulnerable-situations.html">https://www.natwestgroup.com/our-purpose/society/customers-in-vulnerable-situations.html</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/our-approach/stakeholder-engagement.html">https://www.natwestgroup.com/our-purpose/our-approach/stakeholder-engagement.html</a></p>

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Criteria	Comment	Reference
	<p>through to our dedicated on-site Citizens Advice partners.</p> <p>In our Debt Management Operation we have 3 dedicated specialist support teams with experienced colleagues, who have received specific training from our external debt advice and charity partners, like Money Advice Trust, Samaritans, SafeLives and GamCare, who focus solely on supporting customers in vulnerable circumstances. In 2019, these 3 teams have handled over 34,000 calls and provided much needed support and care to these customers</p> <p>NatWest Group was proud to be a 2019 headline sponsor for the Money Advice Scotland annual conference. This event plays a vital role in helping the debt advice sector address issues such as financial capability and inclusion and discuss emerging issues in debt advice.</p> <p>More than 69,000 of our colleagues completed the Supporting Customers in Vulnerable Situations training programme during 2019.</p> <p>As a business, we have also partnered with external organisations to enhance these services – including SafeLives, GamCare, Citizens Advice, Alzheimer Scotland, the Royal National Institute of Blind People (RNIB), BackUp and Samaritans. More than 14,500 colleagues also became Dementia Friends during 2019.</p> <p>In 2019, we also launched a partnership with SafeLives, a UK charity dedicated to ending domestic abuse, to provide us with expert advice and guidance on a range of bank policies, procedures and services to ensure that those affected by financial abuse are provided with the best possible support by NatWest. We have worked with SafeLives to develop a specific online form for customers to contact the bank on their own terms, as well as offering secure video banking appointments with specialist bank staff to provide face-to-face support with our specialist team.</p> <p>In June 2020, we built on this partnership further by announcing the launch of a £1m fund to support victims of economic and domestic abuse.</p>	<p><a href="https://www.natwestgroup.com/news/2020/06/natwest-announces-p1m-fund-to-safelives-for-the-support-of-economic-abuse-victims.html?q=safelives&amp;brand=NATWESTGROUP_COM&amp;section=natwestgroup&amp;enginekey=KMC4iXzhoghqGWug1xWC">https://www.natwestgroup.com/news/2020/06/natwest-announces-p1m-fund-to-safelives-for-the-support-of-economic-abuse-victims.html?q=safelives&amp;brand=NATWESTGROUP_COM&amp;section=natwestgroup&amp;enginekey=KMC4iXzhoghqGWug1xWC</a></p>
18: The COP describes partnerships and collective action	We describe some of our key international External Commitments on our website - such as Equator Principles, UNGC & the Thun Group. We work in	

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Criteria	Comment	Reference
	<p>partnership with others to provide specific support to enterprise and learning (see criteria 15), which are two focus areas for us, as well as partnerships for our community investment and philanthropic activities, and supporting customers in vulnerable situations.</p> <p>We are a member of the Equator Principles (EP) Association Steering Committee. The EPs are a voluntary set of standards adopted by banks for determining, assessing and managing social and environmental responsibilities in project financing. We will not provide project finance where the borrower will not, or cannot, comply with these principles.</p> <p>We are a founding member of the Soft Commodities Compact (The Compact (PDF 342KB)) which was set up in 2014. Together with eleven other financial institutions, this is a voluntary initiative led by The Consumer Goods Forum (CGF) and The Banking Environment Initiative (BEI). The Compact aims to mobilise the banking industry to help transform soft commodity supply chains, thereby helping customers to achieve zero net deforestation by the end of 2020.</p> <p>We are signatories of the United Nations Principles for Responsible Banking, Partnership for Carbon Accounting Financials (PCAF), the Task Force on Nature-related Financial Disclosures and the United Nations Environment Programme Finance Initiative's Collective Commitment to Climate Action (CCCA).</p> <p>In October 2020, NatWest Group CEO Alison Rose was a keynote speaker at the Ethical Finance Summit.</p>	<p><a href="https://www.natwestgroup.com/our-purpose/our-approach/external-commitments.html">https://www.natwestgroup.com/our-purpose/our-approach/external-commitments.html</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/our-approach/ese-and-reputational-risk-management/soft-commodities-compact.html">https://www.natwestgroup.com/our-purpose/our-approach/ese-and-reputational-risk-management/soft-commodities-compact.html</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/our-approach/ese-and-reputational-risk-management/equator-principles.html">https://www.natwestgroup.com/our-purpose/our-approach/ese-and-reputational-risk-management/equator-principles.html</a></p>

## Corporate Sustainability Governance and Leadership

Criteria	Comment	Reference
19: The COP describes CEO commitment and leadership	Our CEO statement can be found in pages 6-8 of our 2019 Annual Report and covers how we are moving forward as more sustainable bank.	<a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a>
20: The COP describes Board adoption and oversight	The governance section of the Strategic Report 2019 describes our governance structure and oversight, outlining in further detail the role of the Board-level Sustainable Banking Committee chaired by a non-executive Director.	<a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a>

**Corporate Sustainability Governance and Leadership**

Criteria	Comment	Reference
	<p>The Group Sustainable Banking Committee provides support to the Board in overseeing actions being taken by management to run a sustainable long-term business, with specific focus on customers and brands; people and culture; the competitive environment; and society and environment.</p>	
<p>21: The COP describes stakeholder engagement</p>	<p>NatWest Group recognises the importance of engaging with stakeholders to help inform its strategy and Board decision-making. Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are taken into account by the Board when it takes decisions. We define principal decisions as those that are material, or of strategic importance to NatWest Group, and also those that are significant to any of our key stakeholder groups. In making its decisions, the Board considers the outcomes of relevant stakeholder engagement, as well as the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of NatWest Group and the long term consequences of its decisions.</p> <p>During 2019, we conducted regular engagement with a broad range of stakeholders, ensuring their views informed our discussion and thinking. Engagement included visits and the ‘Meet the Board’ event with colleagues. Our Colleague Advisory Panel (CAP) met twice in 2019, providing a valuable mechanism for colleagues to gain a greater understanding of the Board’s role and provide feedback to directors. Two-way communication is crucial for both colleagues and Board members and embodies the open and inclusive culture of the Bank. Furthermore, we hold regular retail shareholder events, where shareholders can ask questions to a panel of executives and Non-Executive Directors and learn more about the business, our progress to date and our plans for the future.</p> <p>Our <a href="#">Stakeholder engagement page</a> on natwestgroup.com demonstrates our stakeholder approach, and the associated stakeholder PDF provides a summary of <a href="#">key stakeholder groups and the issues they raised in 2019</a>.</p>	<p><a href="https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf">https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2019.pdf</a></p> <p><a href="https://www.natwestgroup.com/our-purpose/our-approach/stakeholder-engagement.html">https://www.natwestgroup.com/our-purpose/our-approach/stakeholder-engagement.html</a></p> <p><a href="https://www.natwestgroup.com/content/dam/natwestgroup.com/natwestgroup/pdf/listening-to-our-stakeholders-2019.pdf">https://www.natwestgroup.com/content/dam/natwestgroup.com/natwestgroup/pdf/listening-to-our-stakeholders-2019.pdf</a></p>