

United Nations Global Compact
Communication on Progress
November 2022



“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
24th November 2022

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 champions potential, helping people, families and businesses to thrive. Because when they thrive, so do we. Our purpose guides and underpins everything we do. It enables us to build long-term value, to invest for growth, to make a positive contribution to society and to drive sustainable returns for shareholders. We aim to balance the different interests of our stakeholders – customers, investors, colleagues, communities, regulators and suppliers – in all our decision-making, especially when there are difficult choices to be made. We also recognise the need for transparency and openness, regularly engaging and seeking the views of our stakeholders. Our robust balance sheet, strong capital position and capital generative businesses mean we are well placed to support our customers and invest for growth, as well as driving sustainable returns to shareholders and creating long-term value for all our stakeholders. We are a relationship bank for a digital world. Our strategy for growth delivers on our purpose and drives sustainable returns to shareholders through four strategic priorities: we will support our customers at every stage of their lives; we will be powered by innovation and partnerships as we accelerate our digital transformation; we will be simple to deal with; and we will allocate our capital in a way that delivers for customers and shareholders. Our values are at the heart of how we deliver our purpose-led strategy. In 2021, responding to feedback from stakeholders, we engaged with colleagues, customers and communities to re-envision a modernised set of values that fully align with our strategic priorities. These collaborative and evolved values will be launched in 2022 and will form an integral part of our cultural identity.</p> <p>We recognise the huge responsibilities that our role brings – from supporting the day-to-day financial needs of 19 million customers, to the positive impacts we can have on the environment and wider society. We have identified three focus areas where we can make a meaningful contribution and build long-term value in our business:</p> <ul style="list-style-type: none"> • Climate - We have made addressing the climate challenge and supporting our customers in their transition to net zero a key strategic priority. • Enterprise - We are committed to removing barriers to enterprise and providing businesses in the UK the support they need to grow. • Learning - We are helping people to take control of their finances, to make the most of their money, safely and securely – now and in the future. 	<p>https://investors.natwestgroup.com/~/_media/Files/R/RB-S-IR-V2/results-center/18022022/natwest-group-annual-report-accounts-2021.pdf</p>

	<p>In 2021 Coutts, Natwest Group’s private banking and wealth management brand became a BCorp™. A BCorp™ company is a business that meets the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.</p> <p>Topics relating to the UNGC’s objectives are covered throughout our 2021 Annual Report and Accounts, our 2021 Environmental, Social and Governance (ESG) Supplement and our Climate-related Disclosures Report.</p> <p>NatWest Group plc appointed Ernst & Young LLP (EY) to provide independent assurance over certain sustainability metrics, indicated with (*) in the NatWest Group’s 2021 Strategic Report, the 2021 Environmental, Social and Governance (ESG) Supplement, and the 2021 Climate-related Disclosures Report. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 (July 2020) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE (UK) 3000 (July 2020)”). For further details please refer to EY independent assurance statement (PDF 10MB) and Basis of Reporting 2021 (PDF 174KB).</p>	
<p>2: The COP describes value chain implementation</p>	<p>Once again, in 2021, we used the Blueprint for Better Business framework to inform our purpose-led decision-making, helping to create and protect value for customers, suppliers, colleagues, communities, future generations and our shareholders. Its principles allow us to think more widely about our purpose and what is needed to bring it to life across our organisation: by being honest and fair with our customers and suppliers; acting as a responsible employer; operating as a good citizen in our communities; and being guardians for the next generation.</p> <p>In September 2020 NatWest Group launched its the Supplier Charter(replacing our supplier code of conduct). The charter sets out our aims and expectations in the areas of ethical business conduct, human rights, environmental sustainability, diversity and inclusion, the Living Wage and prompt payment. It details what we expect from our suppliers, but also outlines our own commitments in these key areas and the outcomes we aim to achieve by working together. The latest version of NatWest Group Supplier Charter can be found here.</p> <p>In line with good practice, we conduct review meetings with suppliers. Compliance with our Supplier Charter is a standing agenda item at these meetings. If a supplier is unable to comply with the human rights commitments</p>	<p>https://investors.natwestgroup.com/~media/Files/R/RB_S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p> <p>https://www.natwestgroup.com/who-we-are/contact-us/supplying-goods-and-services.html</p> <p>https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/human-rights-statement.pdf</p> <p>https://investors.natwestgroup.com/~media/Files/R/RB_S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p> <p>https://www.natwestgroup.com/sustainability/governance-and-responsible-</p>

	<p>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>Central to the aims of charter, we partnered with EcoVadis – a leading organisation providing independent, third-party evidence-based assessments of sustainability performance. EcoVadis are helping us to understand and measure our own performance and that of our suppliers against the charter, enabling us to identify social, environmental and ethical improvements. NatWest Group has made significant progress in the first year of working with EcoVadis, with 834 suppliers invited to take part in assessment and 480 rated, representing 88% of its in scope 3rd party spend being independently assessed against ESG credentials. EcoVadis also monitors specialist media (including, but not limited to trade unions, sustainability networks, NGOs, labour watch, local media) to gather news and insights relevant to the assessed entity and sustainability. This helps to ensure that the ultimate rating does not solely rely on supplier submitted documentation.</p> <p>EcoVadis also conducted a sustainability assessment of NatWest Group, scoring 62% which is significantly higher than the global EcoVadis average of 49% for the financial services sector. This ranks NatWest Group in the 86th percentile for financial services.</p> <p>For more details on the EcoVadis Assessment criteria, please see the ‘Engaging our Suppliers’ section of the 2021 Environmental, Social and Governance (ESG) Supplement (PDF 1.5MB).</p> <p>We collaborate with our suppliers to encourage and enable a diverse supply chain that is not only sustainable but also has a positive impact on the global community. This collaboration also supports the bank’s ambition to halve emissions across our operational value chain by 2030. Below are some examples of how we expect this to happen:</p> <ul style="list-style-type: none"> • We expect our suppliers to implement the standards of the charter with their own suppliers. • The charter (and sustainability) is covered in our tender process, and is a standing agenda point of supplier review meetings conducted as part of ongoing contract management. These meetings are conducted monthly, quarterly or annually dependant on the supplier’s tier classification. They enable us to review supplier performance to ensure compliance with their contract and service-level agreements. • Supply chain managers are continually trained internally on onboarding and performance management of suppliers, as well as on key ESG topics, such as climate, diversity and 	<p>business/supply-chain.html?q=ecovadis&brand=NATWESTGROUP_CO M&section=natwestgroup&enginekey=KMC4iXzhoghqGWug1xWC</p>
--	---	---

	<p>inclusion and sustainable procurement to equip them with the knowledge and skills to drive forward supplier discussions and activity.</p> <ul style="list-style-type: none"> • Embedding EcoVadis into performance objectives of procurement. 	
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 our activities may have on individuals or communities.</p> <p>Our approach to tackling modern slavery and human trafficking sits within the wider human rights context. We recognise the important role that businesses play in promoting respect for human rights and seek to operate in accordance with the International Bill of Human Rights. Our approach to respecting human rights is guided by internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights (UNGPs).</p> <p>We publicly publish our NatWest Group Human Rights Statement. The purpose of this statement is to:</p> <ul style="list-style-type: none"> • provide an overview of how we strive to respect human rights: <ul style="list-style-type: none"> o as an employer o with our suppliers o with our customers o through responsible investments o within the communities we serve • provide information on how colleagues, suppliers, customers and communities can raise concerns • demonstrate to key external stakeholders how we manage human rights risks. <p>We understand modern slavery breaches fundamental human rights. NatWest Group has a policy framework that seeks to prohibit instances of modern slavery and human trafficking. Further information on that might be found here.</p> <p>At NatWest Group, we understand that businesses have an important role to play in promoting respect for</p>	<p>https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/human-rights-statement.pdf</p>
4: The COP describes effective management systems to integrate the human rights principles		<p>https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p>
5: The COP describes effective monitoring and evaluation mechanisms of human rights integration		<p>https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/NWG-Modern-Slavery-Statement-2021-with-signatures.pdf</p>

human rights. We seek to promote and respect human rights through the continued implementation of policies and practices covering our colleagues, customers and suppliers. This approach reflects our desire to maximise any positive impacts and reduce, where possible, any potential negative impacts that our activity and the activity in our value chain, may have on society.

We have established a human rights steering group, a management group that brings representatives from across NatWest Group together to coordinate our activities, and to make recommendations to NatWest Group Executive Committee and Board to develop and strengthen our approach.

In 2021, we worked with a specialist human rights consulting firm, twentyfifty, to undertake an analysis of how our existing policies, processes and governance perform against the global standard set out in the UNGPs. The analysis involved an assessment to identify our salient human rights issues. This work is ongoing and we will continue to report on our progress.

NatWest Group engages on the responsibilities of businesses in respecting human rights. We are a member of the Thun Group, which discusses how the financial service sector can incorporate and embed the UN Guiding Principles into their due diligence processes. We also participate in several indices and benchmarks which help to inform our activity and identify opportunities to continually improve our approach.

Tackling modern slavery and human trafficking (MSHT) forms an integral part of our approach to respect and promote human rights. We seek to address the issue through continued implementation of policies covering our customers, colleagues and suppliers and by monitoring our financing and supply chain for this activity.

NatWest Group is a member of the UN Global Compact's UK Modern Slavery Working Group and we engage with a range of stakeholders, including law enforcement agencies, think tanks, charities and non-governmental organisations (NGOs), which helps us to grow our understanding and knowledge of the issue. In 2021, we continued to raise awareness of MSHT amongst colleagues. Prior to Anti-Slavery Day in October, we held a webinar with charitable organisations TRIBE Freedom Foundation and Unseen which highlighted the realities of modern slavery, the impact on victims and examined the role that the financial services sector can play in tackling the issue.

The webinar coincided with the launch of a group wide e-learning module which was created alongside Unseen.

	<p>The module highlights red flag indicators that colleagues can use to recognise possible signs of modern slavery and provides information on how to report any concerns.</p> <p>We also continued to support survivors of modern slavery by working with Unseen to deliver a package of support which includes the provision of safe and reliable access to a bank account and bespoke, ongoing support through a dedicated team of customer support specialists. For the third year, our colleagues in NatWest Markets supported the TRIBE Freedom Foundation and raised over £30,000 to assist the charity’s anti-slavery projects, enabling long-term support for survivors and helping to prevent modern slavery.</p> <p>For more information, please see our Human Rights Statement and 2021 Statement on Modern Slavery and Human Trafficking. Our Modern Slavery Act was drafted and developed by our Modern Slavery Working Group. It was noted by the Human Right Steering Group, the Executive Disclosure Committee and the Executive Committee. It was presented to the Sustainable Banking Committee on 20th June 2022, approved by the Board of NatWest Group plc on 22nd June 2022 and signed by Alison Rose, Chief Executive of NatWest Group plc, and Howard Davies, Chairman of NatWest Group plc on 28th June 2022.</p>	
--	---	--

Robust Labour Management Policies & Procedures

Criteria	Comment	Reference
6: The COP describes robust commitments, strategies or policies in the area of labour	<p>Our Supplier charter highlights that we are committed to:</p> <ul style="list-style-type: none"> Aligning our approach to internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights (UNGPs), 	<p>https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/Supplier-Charter-2022.pdf</p>
7: The COP describes effective management systems to integrate the labour principles	<p>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</p>	<p>https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/NWG-Modern-Slavery-Statement-2021-with-signatures.pdf</p>
8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration	<ul style="list-style-type: none"> Meeting the requirements of the Modern Slavery Act 2015 (MSA), including the annual publication our MSA Statement Upholding the right to collective bargaining, freedom of association, safety in the workplace, freedom to work without being harassed. We do not tolerate or condone abuse of human rights which includes modern slavery (encompassing slavery, servitude and forced or compulsory labour, human trafficking, sexual exploitation, and child labour) and unacceptable working hours or conditions, Providing flexible working arrangements for the 	<p>https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/human-rights-statement.pdf</p> <p>https://investors.natwestgroup.com/~/_media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p>

	<p>bank, employees, and workers. We do not offer zero hours contracts</p> <ul style="list-style-type: none"> • Supporting the UN Sustainable Development Goals (SDGs), including SDG 16 and working with others to make progress towards the delivery of SDG 8.7, calling for the eradication of forced labour and modern slavery, including through promoting best practice in our own operations and extended supply chain. <p>Our expectations of suppliers</p> <ul style="list-style-type: none"> • Policies in place to identify and mitigate against modern slavery and comply with the Modern Slavery Act, which covers the offences of slavery, servitude, forced or compulsory labour, child labour, sexual exploitation and human trafficking • Not to use child labour, including but not limited to Article 3 ILO Convention 182, or forced labour, as defined by the ILO Convention C029 • Ensure working hours are in accordance with local regulation & industry best practice and avoid zero hours contracts • Uphold the freedom of association and the effective recognition of the right to collective bargaining • Provide a healthy and safe working environment in accordance with national and international legislation and create a culture of wellbeing • Respect the human rights of the local communities within your business operations • Identify and help mitigate social and ethical risks that exist within your sector and your own supply chain • Support SDGs including target 8.7 <p>Suppliers are expected to implement the commitments of the Supplier Charter, including those around human rights such as meeting international labour standards, with all their own suppliers. Our supplier tendering process includes specific questions in relation to modern slavery which asks them to evidence that their company is operating in line with international standards and legislation such as the Modern Slavery Act and International Labour Organisation (ILO) convention. In line with good practice, we conduct review meetings with suppliers. Compliance with our Supplier Charter is a standing agenda item at these meetings.</p> <p>In 2020, we introduced our Supplier Charter, replacing our old Supplier Code of Conduct. Our Supplier Charter sets out our aims and expectations in the areas of ethical business conduct, human rights, environmental sustainability, diversity and inclusion, living wage and prompt payment. Our Supplier Charter states that we expect suppliers:</p> <ul style="list-style-type: none"> • to comply with the MSA 	<p>https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/Directors-Remuneration-Policy-approved-at-the-2022-AGM.pdf</p>
--	--	--

	<ul style="list-style-type: none"> • not to use child labour, in accordance with, among others, Article 3 ILO Convention 182, or forced labour, as defined in ILO Convention C029 • to support Sustainable Development Goal 8.7. <p>Commitment to the Supplier Charter is sought as part of our supply chain tendering process. In 2021, led by NatWest Group’s chief administrative officer, and with collaboration from subject matter experts and policy owners, we completed our first annual review of the effectiveness of the charter and its expectations.</p> <p>We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.</p> <p>We listen to colleagues and use this insight to ensure we attract, engage and retain the best talent for the future. Our colleague listening strategy – which includes our colleague opinion surveys; a ‘Colleague Advisory Panel’ (CAP) that connects colleagues directly with our Board; the Colleague Experience Squad, a group of colleagues who volunteer to provide feedback on colleague products and services; and ‘Workplace’, our social media platform – all contribute to a deeper understanding of colleague sentiment.</p> <p>All our graduates and interns receive a financial wellbeing induction to help them understand how their pay works, how to read their payslip and the essentials of budgeting, debt management and saving for life after work.</p> <p>Diversity, equity & inclusion We are committed to progressing our diversity, equity and inclusion strategy. In summary:</p> <ul style="list-style-type: none"> – Inclusive workplace: Colleague sentiment on inclusivity continued to increase with a score of 93 percentage points. – Gender balanced: We have a target to have full gender balance in our CEO-3 and above global roles by 2030. At 31 December 2021, we had 38% women in our CEO-3 and above global roles, a decline of 1% since 31 December 2020. While representing an increase of 9% since targets were introduced in 2015, we know we have more to do and continue to focus on the recruitment, retention and advancement of women. – Ethnically diverse: Our ethnicity target is to have 14% Black, Asian and Minority Ethnic colleagues in our CEO-4 and above UK roles by 2025. At 31 December 2021, of 86% of colleagues who have disclosed in CEO-4 and above UK roles, we have 11% Black, Asian and Minority Ethnic colleagues. This represents a 3% increase since targets were introduced. We also have a target to have Black colleagues 	
--	--	--

occupying 3% of CEO-5 and above UK roles by 2025. At 31 December 2021, we have 1.5% of colleagues who identify as Black in CEO-5 and above UK roles. Overall, of those who disclose their ethnicity, 2% of our colleagues in the UK identify as Black. We continued to embed our Racial Equality Taskforce commitments.

- Disability smart: We supported our colleagues with disabilities through a career development programme and created a roadmap for becoming an even more neuroinclusive employer.
- LGBT+ innovative: We participated in the UK Stonewall Workplace Equality Index and, as founding partner, again supported the British LGBT Awards.

The level of remuneration reflects the responsibility and time commitment required, and the level of fees paid to directors of comparable major UK companies. We review fees regularly, and the Board may choose to apply an increase within the limits of the Policy on an annual or less frequent basis.

Regular interactions with our employee representatives such as trade unions, elected employee bodies and works councils are a vital means of transparency and engagement for us. We frequently use these sessions to discuss developments and updates on the progress of our strategic priorities: in 2021, for example, topics included ‘ways of working’ and ‘health and safety in the context of the pandemic’. We are committed to respecting our employees’ right of freedom of association across all our business and we share information about our employee representative bodies with our colleagues on our intranet. Approximately 76% of our employees are covered by a collective agreement and/or employee representative arrangements.

We want our colleagues, and all those we interact with, to feel confident to raise concerns about wrongdoing or misconduct without fear of retaliation. ‘Speak Up’ is NatWest Group’s formal whistleblowing framework, which enables colleagues to report concerns in confidence (and anonymously if preferred) through a secure reporting system operated by an independent third party. Colleagues using Speak Up are protected both through our internal policies and by legislation, where applicable. The Group Audit Committee monitors the effectiveness of NatWest Group’s whistleblowing process, with its chairman acting as whistleblowing champion.

It receives regular updates on the volume of whistleblowing reports and any common themes. All colleagues receive annual awareness training on whistleblowing and how to raise concerns. More detailed targeted training is also provided to specialist teams involved in the management and investigation of whistleblowing reports. There is no definitive list of what

	<p>can be reported through Speak Up – we want to know of any concerns colleagues have about wrongdoing or misconduct that affects NatWest Group, its customers, employees, shareholders or the general public. Examples of what can be reported through Speak Up are documented in the Speak Up policy. Our Speak Up policy sets out our commitment to protect anyone raising a genuine concern, even if the concern raised is considered to be unsubstantiated (not proven) after investigation. All whistleblowing concerns are investigated, as appropriate. Where concerns are substantiated, recommendations are made for remedial action, which can include changes to processes and controls as well as disciplinary action. Furthermore, the harassment, victimisation or discrimination of anyone raising a genuine concern will be viewed as a disciplinary matter. In 2021, 98% of those completing our colleague opinion survey indicated that they know how to raise concerns about wrongdoing in their business. 89% of colleagues felt it was safe to speak up in their business, and 88% believe that if they raise concerns they will be handled appropriately. In 2021, 415 cases were raised compared to 441 in 2020.</p> <p>For more information, please see our 2021 ESG Supplement.</p>	
--	---	--

Robust Environmental Management Policies & Procedures

Criteria	Comment	Reference
9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	We recognise that climate change is a critical global issue and taking the necessary actions to address climate change has the potential to create jobs, transform communities and touch every family in the country. To tackle climate change, we must think long term and act quickly, working in partnership with others so that we can thrive together.	https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-climate-related-disclosure-report.pdf
10: The COP describes effective management systems to integrate the environmental principles.	We have an ambition to achieve net zero by 2050, this includes:	https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/mining-metals-ese-risk-policy-position.pdf
11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	<ul style="list-style-type: none"> • Financed emissions: Greenhouse gas emissions from loans and investments activity, attributable to NatWest Group. • Assets under management: Greenhouse gas emissions associated with our discretionarily managed assets. • Our operational value chain: Greenhouse gas emissions related to the upstream and downstream activities associated with our operations. <p>Progress is monitored via climate-related targets and ambitions across the following thematic opportunities:</p> <ol style="list-style-type: none"> 1. Accelerating the speed of transition to a net-zero economy <ul style="list-style-type: none"> • We have an ambition to support our UK mortgage customers to increase their residential 	https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/natwest-group-annual-report-accounts-2021.pdf https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf

	<p>energy efficiency and incentivise purchasing of the most energy efficient homes, with an ambition that 50% of our mortgage portfolio has an EPC rating of C or above by 2030.</p> <ul style="list-style-type: none"> • We plan to collaborate cross industry and create products and services to enable customers to track their carbon impact. • We plan to reduce the carbon intensity of our funds and discretionary portfolios by 50% by 2030 and to achieve net zero on discretionarily managed assets by 2050. <p>2. Helping to end the most harmful activity</p> <ul style="list-style-type: none"> • We plan to phase out of coal for UK and non-UK customers who have UK coal production, coal fired generation and coal related infrastructure by 1 October 2024, with a full global phase out by 1 January 2030. <p>3. Championing climate solutions</p> <ul style="list-style-type: none"> • We have a target to provide £100 billion climate and sustainable funding and financing between 1 July 2021 and the end of 2025. <p>4. Embedding climate into our culture and decision-making</p> <ul style="list-style-type: none"> • Each year, we plan to include targets for executive remuneration that reflect our latest climate ambitions. • We have an ambition to at least halve the climate impact of our financing activity by 2030 and align with the 2015 Paris Agreement. To do this, we plan to quantify our climate impact and set sector-specific targets by the end of 2022. • We plan to continue the integration of the financial and non-financial risks arising from climate change into our enterprise wide risk management framework (EWRMF). <p>5. Net-zero emissions for our operational value chain</p> <ul style="list-style-type: none"> • We have a target to reduce our direct own operations carbon footprint by 50% by 2025, against a 2019 baseline. • We plan to reduce the carbon footprint for our wider operational value chain by 50%, against a 2019 baseline, by 2030 and achieve net zero by 2050. • We plan to use only renewable electricity in our direct own global operations by 2025 (RE100) and improve our energy productivity 40% by 2025 against a 2015 baseline (EP100). • We plan to install electric vehicle charging infrastructure in 15% of spaces across our UK 	<p>https://investors.natwestgroup.com/~media/Files/R/RB S-IR-V2/results-center/30072021/natwest-group-esg-appendix.pdf</p> <p>https://www.natwestgroup.com/our-purpose/our-approach/ese-and-reputational-risk-management.html</p>
--	---	---

portfolio by 2030 and upgrade our fleet of 300 vehicles to electric by 2025 (EV100).

As one of the UK's biggest banks – and indeed the biggest for business – we have both the ability and the responsibility to take a major role in the fight against climate change. There is a clear societal duty here, but also an obvious commercial imperative in helping our 19 million customers to take advantage of the many opportunities that moving to net zero brings. Importantly, we believe this is not only good for the planet, but good for business too.

Our 'Springboard to Sustainable Recovery' report (published in 2021) clearly highlights this. The report shows that small and medium-sized enterprises (SMEs) can deliver a significant amount of the UK's abatement targets, if they get the right support. And this, we believe, is a huge opportunity for SMEs.

Demand for the financing to make this happen is already significant. In 2020, we set out to provide £20 billion of climate and sustainable funding and financing over two years. We are delighted that we met this initial target in under 18 months, so in October 2021 we committed to an ambitious new goal of providing an additional £100 billion of climate and sustainable funding and financing between 1 July 2021 and the end of 2025. For us, this really is positive lending. Not only are we aligning capital in a more sustainable way, but we also know that it makes good business sense. It's why we see climate as an area of genuine strategic growth for our business.

Being a COP26 principal partner

Against this backdrop, it was a huge honour for NatWest Group to be a principal partner for COP26 in November 2021. We wanted to achieve two things through our participation at the conference: to demonstrate how we can support our customers; and to ensure that we will play a leading role in the global coalition of financial services organisations tackling climate change.

We know the financial sector is a key enabler in the drive towards net-zero emissions, so we invited our customers to COP26 and held events that explained the huge opportunity that climate change can bring to businesses. We formed alliances to help customers 'green' their homes, and we set up collaborations with organisations such as CoGo to help our customers understand their carbon footprint. In this sense, we saw the conference as an incredible chance to showcase and develop the practical support we can offer our retail and business customers to lower their emissions. With regard to collaborative action, we signed up to the UK

	<p>Government’s joint declaration on accelerating the transition to 100% zero-emission vehicles, as well as announcing that we will be one of 27 new members of the Powering Past Coal Alliance to accelerate the global transition from coal – which builds on our existing enhanced coal-lending policy.</p> <p>Putting our own house in order In 2021, we became a founding member of the Net Zero Banking Alliance and joined the new coalition of the Glasgow Financial Alliance for Net Zero (GFANZ), which currently includes over 450 financial firms across 45 countries focused on broadening, deepening and raising net-zero ambitions across the financial system. It means that NatWest Group is now a prominent presence in the key forums for sustainable financing, able to use its position to positively influence market-wide change in the UK and globally.</p> <p>Measuring and assessing climate-related risk is key for us to deliver on our ambitions: in 2021 we continued to develop and enhance capabilities to measure our carbon footprint in relation to our own operational footprint and – more importantly – our financed emissions. We also further integrated climate into our risk management and developed our scenario analysis capabilities to help us better understand our own climate-related risks and opportunities.</p> <p>This was strengthened through our participation in the Bank of England’s Climate Biennial Exploratory Scenario (CBES) exercise. Insights from the climate scenarios can be translated into tangible action that will enable NatWest Group and its customers to mitigate climate-related risks and take advantage of the opportunities that the transition to net zero will create.</p> <p>In 2021, we also classified ‘Biodiversity and Nature Loss’ as a formal emerging risk for NatWest Group. It is critical for NatWest Group and our customers to work towards becoming ‘nature positive’ by reducing negative impacts and increasing the restoration of natural capital. We are at the start of this journey, and in 2022 we will work to better understand nature-related risks and opportunities including in NatWest Markets NV as part of the European Banking Authority’s pillar 3 disclosures on ESG risks including environmental assessment.</p> <p>Building powerful partnerships Importantly, we know combating climate change must be a collaborative and wide-reaching effort. As such, in 2021 we continued to work with other organisations to combine and amplify our impact.</p>	
--	--	--

	<p>For instance, with fintech company CoGo we introduced a carbon-tracking feature in our mobile banking app to help customers reduce the climate impact of their spending. We have also been developing similar tools for our business customers. In association with British Gas, Worcester Bosch and Shelter, we established the Sustainable Homes and Buildings Coalition to improve the energy efficiency of buildings in the UK and to address the key blockers to meeting net zero in the UK built environment. And we are helping colleagues and customers to move to electric vehicles through a collaboration with Octopus Energy.</p> <p>We have also joined forces with other financial firms to launch Carbonplace, a voluntary carbon marketplace. The pilot – a global first – will initially see NatWest Group and three other banks team up to create a thriving and transparent global marketplace for carbon offsets, with clear and consistent pricing and standards that more banks are expected to be part of later.</p> <p>Industry-leading initiatives Significantly, these industry-leading initiatives occur right across NatWest Group. For instance, in 2021, Coutts joined the Net Zero Asset Managers initiative and committed to achieving net-zero investments by 2050. Coutts also had the proud distinction of achieving B Corp status in 2021. Elsewhere, NatWest Markets remains a leading underwriter for green, social and sustainability (GSS) bonds issued by UK corporates and sterling-denominated GSS bonds across all sectors.</p> <p>Committed to disclosure Naturally, we want our climate-change actions and outcomes to be measured against our ambitions and aligned with the 2015 Paris Agreement. Which is why we have not only committed to our progress being validated by credible third parties, but we also take compliance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations very seriously.</p> <p>We acknowledge as well, the evolving and often imperfect nature of climate data currently available. Improvements in the consistency and standardisation of climate metrics are undoubtedly key to the progression of the integration of climate into our decision making processes. Although to a large extent this is dependent on broader industry comparability, we are committed to making our methodologies as robust and transparent as possible.</p> <p>We continued to develop and enhance capabilities to measure our carbon footprint in relation to our own operational footprint as well as financed emissions:</p>	
--	---	--

- We reduced our direct own operations carbon footprint by 46% against a 2019 baseline, and increased our renewable electricity consumption to 97%.
- We worked on enhancing our capabilities across an additional eight emissions intensive wholesale sectors. We also extended the scope of emissions calculations for the oil and gas sector beyond extraction activities covered in 2020. We have now analysed 52% of our loans and investment portfolio based on 2019 gross on-balance sheet loans and investments.
- To support our commitments to the Net Zero Banking Alliance, we will align to the Science Based Targets initiative's (SBTi) definition and account for the wider value chain, including suppliers, for our own operational footprint.
- We have submitted our 2030 sector emissions reduction estimates to SBTi for validation and will continue our work to enhance availability of data to support future calculations of financed emissions and emissions intensities

A platform for powerful partnerships

Leading up to and during COP26 in November 2021, NatWest Group announced a number of new collaborations designed to help address the climate challenge. Two key initiatives attracted considerable attention:

1. Our target to provide £100 billion of climate and sustainable funding and financing between 1 July 2021 and the end of 2025.
2. Our support for the Powering Past Coal Alliance, in particular our newly announced commitment to stop lending to UK and non-UK customers who have UK coal production, coal fired generation and coal-related infrastructure by October 2024 with a full phase out of coal by 1 January 2030.

We also focused heavily on the role of businesses in supporting the drive toward net zero.

We hosted a virtual event with CEO Alison Rose and senior leaders from other COP26 principal partners, alongside the UK Government's Net Zero Business Champion, to discuss the role that businesses can play in helping to tackle climate change. We also helped promote business innovation in addressing climate change through our support of the UK Government's Business Climate Hub's 'Heroes of Net Zero' competition and awarded £200,000 to climate start-ups through Scottish EDGE funding.

In our [Annual Report and Accounts 2021](#), we highlight the following in our Risk Factors:

	<p>‘A failure to adapt NatWest Group’s business strategy, governance, procedures, systems and controls to manage emerging sustainability-related risks and opportunities may have a material adverse effect on NatWest Group, its reputation, business, results of operations and outlook.</p> <p>Investors, customers, international organisations, regulators and other stakeholders are increasingly focusing on identification, measurement, management and mitigation of ‘sustainability-related’ risks and opportunities such as environmental (including biodiversity and loss of natural capital); social (including diversity and inclusion, the living wage, fair taxation and value chains); and governance (including board diversity, ethics, executive compensation and management structure) related risks and opportunities and on long term sustainable value creation.</p> <p>Financial institutions, including NatWest Group, are directly and indirectly exposed to multiple types of environmental and biodiversity-related risk through their activities, including risk of default by clients. Additionally, there is a growing need to move from safeguards and interventions that focus on reducing negative impacts on environment and biodiversity towards those that focus on increasing positive impact on environment and biodiversity and nature-based solutions.</p> <p>In 2021, NatWest Group accordingly classified ‘Biodiversity and Nature Loss’ as an emerging risk for NatWest Group within its Risk Management Framework. This is an evolving and complex area which requires collaborative approaches with partners, stakeholders and peers to help measure and mitigate negative impacts of financing activities on the environment, biodiversity and nature as well as supporting the growing sector of nature-based solutions, habitat restoration and biodiversity markets. We are in the early stages of developing its approach and NatWest Group recognises the need for more progress.</p> <p>There is also increased investor, regulatory and customer scrutiny regarding how businesses address social issues, including tackling inequality, working conditions, workplace health, safety and wellbeing, diversity and inclusion, data protection and management, workforce management, human rights and supply chain management which may impact NatWest Group’s employees, customers, and their business activities or the communities in which they operate. There is also growing attention on the need for a ‘just transition’ and “energy justice” – in recognition that the transition to a net zero economy should not disproportionately affect the most disadvantaged members of society. The increased focus on these</p>	
--	---	--

	<p>issues may create reputational and other risks for financial institutions, including NatWest Group.</p> <p>In addition to climate-related risks, sustainability-related risks (i) may also adversely affect economic activity, asset pricing and valuations of issuers' securities and, in turn, the wider financial system; (ii) may impact economic activities directly (for example through lower corporate profitability or the devaluation of assets) or indirectly (for example through macro-financial changes); (iii) may also affect the viability or resilience of business models over the medium to longer term, particularly those business models most vulnerable to sustainability-related risks; (iv) can trigger further losses stemming directly or indirectly from legal claims (liability risks) and reputational damage as a result of the public, customers, counterparties and/or investors associating NatWest Group or its customers with adverse sustainability-related issues; and (v) intersect with and further complexity and challenge to achieving our purpose-led strategy including climate ambitions, targets and commitments.</p> <p>Together with climate-related risks, these risks may combine to generate even greater adverse effects on our business.</p> <p>Furthermore, sustainability-related risks may be drivers of several different risk categories simultaneously and may exacerbate the risks described herein, including credit risk, operational risk (business continuity), market risk (both traded and non-traded), liquidity and funding risk (for example, net cash outflows or depletion of liquidity buffers).</p> <p>Accordingly, any failure or delay by NatWest Group to successfully adapt its business strategy and to establish and maintain effective governance, procedures, systems and controls in response to these issues, and to manage these emerging sustainability-related risks and opportunities may have a material adverse impact NatWest Group's reputation, liquidity position, business, results of operations, outlook and the value of NatWest Group's securities.'</p> <p>Governance</p> <p>The structure chart on page 13 of our 2021 Climate-related Disclosures Report outlines board and senior management oversight of climate-related risks and opportunities supported by embedding climate within our established governance structure and operating rhythm. Board monitoring and oversight of climate-related risks and opportunities is supported by establishing clear roles and responsibilities for the Board and Board Committees, as well as robust management</p>	
--	---	--

	<p>reporting on climate strategy, ambition and risk management activities.</p> <p>Education</p> <p>Colleague and customer education has been a key focus in 2021 to further embed climate into our culture. We have focused on three key education priorities throughout 2021 to support the achievement of our climate ambition:</p> <ol style="list-style-type: none"> 1. Providing easily accessible climate awareness content for colleagues, customers and communities through our NatWest Learning academies 2. Equip colleagues in priority and customer facing roles with the necessary climate capability to do their job, support customers transition and meet regulatory requirements 3. Inspire climate action and innovation through learning, thought leadership and global outreach <p>The evolving Climate Education model is based on four key groups; Core, Common, Specialist and External learning, driving a One Bank approach to identify and assess capability needs, determine the best approach and deliver the most relevant learning to serve the needs of colleagues, customers and communities.</p> <p>Core Scalable learning to drive awareness across all colleagues</p> <p>We launched a new Climate Change Awareness module in March, in collaboration with the University of Edinburgh Centre for Business, Climate Change and Sustainability (UoE B-CCaS). Over 12,000 colleagues completed this module in 2021, helping them to understand the impacts of climate change and the positive actions they can take. – Following an initial pilot in Commercial Banking, we rolled out bank-wide leader led toolkits in multiple populations in 2021 to support leaders to run climate discussion sessions within their teams to broaden climate knowledge and confidence.</p> <p>Colleagues also have access to climate change learning materials through the NatWest Group Academy’s dedicated climate pages, including modules related to ‘What is Climate Change’ and ‘What NatWest Group is doing to tackle climate change.’</p> <p>Over 5,000 colleagues were upskilled through the employee-led Sustainable Futures Network in 2021, including Climate Change 101 and Biodiversity 101 training, which supports our central education strategy to embed the climate knowledge and capability at a grass roots level.</p> <p>Common</p>	
--	--	--

	<p>Cohort approach addressing common needs across multiple populations</p> <p>Training was provided for 494 leaders across 2020 and 2021 through the Cambridge Institute of Sustainable Leadership (CISL) with an average module completion rate of 74%. The programme aims to enhance leaders knowledge and skills to help realise NatWest Group’s climate ambition, the financial service industry, and the wider economy.</p> <p>A bespoke Climate Change Transformation Programme was provided for 1,007 priority and customer facing colleagues during 2021, designed in collaboration UoE B-CCaS. Developed specifically for NatWest Group to build climate capability through blended self-paced exercises and recorded discussions from a range of academics, all experts in their field. 85% of those that completed the programme were confident ‘knowing how to respond and make decisions on climate change impacts within the organisation.’ compared to 32% at the start of the programme.</p> <p>To help embed climate risk knowledge across risk management colleagues, NatWest Group delivered climate-specific learning with a mix of mandatory and optional content. In 2021 this included training on Paris alignment and the Bank of England’s 2021 Climate Biennial Exploratory Scenario exercise.</p> <p>Specialist</p> <p>Priority areas supported through bespoke learning – We launched a sector specific Agriculture training programme, in collaboration with the UoE B-CcaS and Nourish Scotland, supporting 182 relationship managers and risk colleagues to build knowledge and confidence to have effective customer conversations to transition to a net-zero economy.</p> <p>Further sector specialist programmes focused on Commercial Real Estate, Retail & Leisure, and Manufacturing will be delivered in early 2022 to continue to support customer-facing roles.</p> <p>185 colleagues, predominantly in front-line and risk roles undertook professional qualifications in green and sustainable finance and climate-related risk through the Chartered Banker Institute in 2021.</p> <p>To support the embedding of climate into the credit assessment process, a series of climate transaction acceptance standards webinars were delivered and made mandatory for relevant first and second line colleagues.</p> <p>Targeted digital training on responsible investing delivered to over 1,700 colleagues in Private Banking</p>	
--	--	--

Supporting customers, communities and youth education

We launched Learning with NatWest/Royal Bank, external learning academies in November 2021 to support customers and communities, including climate change awareness content educating users on the basics of climate change.

As part of our external learning offerings, we also launched four new climate modules focused on sustainable business through the Business Builder proposition helping to remove barriers to early stage entrepreneurs.

As a principal partner of COP26, NatWest Group’s MoneySense programme joined forces with the popular card game Top Trumps for the Climate Savers competition for both pupils and teachers. 26 winning pupils had their designs made into a Climate Savers Top Trumps deck that was showcased at COP26. The three winning schools also received a total of £26,000 towards a sustainability project.

NatWest Group is helping to drive collective action on nature and biodiversity through a number of exploratory collaborative groups including the Taskforce on Nature-Related Financial Disclosures (TNFD) member of the Informal Working Group 2020, Forum Member 2021, which will be delivering a risk management and disclosure framework for organisations to report and act on nature-related risks.

The NatWest Group Supplier Charter was launched in September 2020 (replacing our supplier code of conduct). The charter sets out our aims and expectations in the areas of ethical business conduct, human rights, environmental sustainability, diversity and inclusion, the Living Wage and prompt payment. It details what we expect from our suppliers, but also outlines our own commitments in these key areas and the outcomes we aim to achieve by working together.

Please see the latest version of NatWest Group’s Supplier Charter [here](#).

Central to the aims of charter, we worked with EcoVadis – a leading organisation providing third-party evidence-based assessments of sustainability performance. EcoVadis are helping us to understand and measure our own performance and that of our suppliers against the charter, enabling us to identify social, environmental and ethical improvements.

NatWest Group has made significant progress in the first

year of working with EcoVadis, with 834 suppliers invited to take part in assessment and 480 rated, representing 88% of its in scope 3rd party spend being assessed against ESG credentials.

At NatWest Group We recognise that 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 have an ESE risk framework comprising policies and processes to give us better insight into our customers' activities and address issues of concern. The framework forms part of NatWest Group's overall reputational risk policy and requires enhanced due diligence to be performed for certain customer relationships, transactions, activities, and projects. Risk officers and customer-facing colleagues receive regular training on ESE risks and procedures. Our policies reflect applicable national and international laws and confirm that we expect our customers to adhere to local and international environmental, social and human rights standards. The policies also incorporate a number of voluntary standards such as the Equator Principles (EP) and the UN Global Compact.

ESE sector risk acceptance criteria (RAC) apply to all legal entities within NatWest Group and define the level of ESE risk the bank is prepared to accept. This includes having relevant policies and procedures which demonstrate a good understanding of ESE issues and the capacity to manage these risks through good governance and control. As such, NatWest Group has developed RAC on nine sectors which present heightened ESE risk.

[NatWest Group's Q3 2022 results \(page 4\)](#) provide an overview of NatWest Group's performance and measurement for a selection of our climate metrics. <https://investors.natwestgroup.com/results-centre.aspx>

Details of our approach, scope, and controls for the sustainability metrics included within the auditors' Sustainability Limited Assurance Engagement can be found in 2021 Basis of Reporting.

For further information regarding our approach to environmental and climate-related issues please see the following:

Our 2021 Climate-related Disclosures Report: <https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/18022022/2021-climate-related-disclosure-report.pdf>

	<p>Our 2021 Nature and Biodiversity Statement: https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/nwg-biodiversity-nature.pdf</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	Please see our public Financial Crime statement for full details.	https://www.natwestgroup.com/content/dam/natwestgroup/pdf/20210513-financial-crime-statement.pdf
13: The COP describes effective management systems to integrate the anti-corruption principle	NatWest Group ABC related policies cover our colleagues, and our relationships with third parties (including suppliers, sponsorships and charities) and our customers, and are designed to apply to all businesses and staff globally. NatWest Group requires compliance with these obligations whenever a person is acting for or on behalf of the NatWest Group.	
14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	<p>Responsibility for the Anti-Bribery and Corruption (ABC) programme rests with the Board of Directors of NatWest Group Plc who promote and encourage a policy of no tolerance towards actions and activities that knowingly breach bribery and corruption regulations, laws and disregard for the ABC Policy.</p> <p>NatWest Group’s ABC Programme addresses the key ABC risk and includes but is not limited to:</p> <p>Colleagues</p> <ul style="list-style-type: none"> • A Group-wide threshold and pre-approval process for our gifts and hospitality in relation to the offering and accepting including the requirement to keep accurate records. • Requirement that the hiring, for paid or unpaid, temporary or permanent roles, is not used to influence a business decision or to gain an advantage for NatWest Group. • Prohibition on the provision of facilitation payments including the implementation of policies and procedures within each business to prevent payments being made. • Delivery, tracking and monitoring effectiveness of ABC training appropriate to role and jurisdiction. • Any breaches identified in relation to staff are dealt with under the Bank’s policies and procedures. 	<p>https://www.natwestgroup.com/content/dam/natwestgroup/pdf/speak-up-one-minute-policy-march-2022.pdf</p>

	<ul style="list-style-type: none"> • Ensuring individuals can confidentially report suspicions of bribery and corruption through Suspicious Activity Reporting (SARs). <p>Third Parties</p> <ul style="list-style-type: none"> • Conducting the appropriate level of ABC Due Diligence on third parties with whom NatWest Group is engaging including Associated Parties defined by the Bank as persons and entities who perform services for or act on behalf of the NatWest Group. • Specifying the where appropriate ABC contract clauses are required in written agreements and requirements for the on-going management of Associated Party relationships. • When pursuing business opportunities (Mergers and Acquisitions) and when awarding business NatWest Group completes due diligence and assessment of risk when engaging in these activities. <p>It has a zero-tolerance policy to bribery and corruption during the procurement process.</p> <ul style="list-style-type: none"> • Businesses dealing with suppliers must adhere to the NatWest Group <u>Supplier Charter</u>, which sets out our commitment to conducting business with our suppliers in a fair and honest manner and with openness and integrity. <p>Strategic</p> <ul style="list-style-type: none"> • Regular risk assessments of all NatWest Group businesses to identify and mitigate potential bribery or corruption risks. Including but not limited to corporate donations, charitable activities and sponsorships, political activities, commercial sponsorships, mergers, acquisitions, joint ventures and other investment/divestment relationships. • Enhanced due diligence conducted on higher risk activities. • Prohibitions of the payment of political contributions on NatWest Group’s behalf. • Engagement in political activities with public officials through lobbying, and the recruitment of staff from the Public Sector (‘Revolving Door’) is transparent and is not, and cannot be perceived to be, seeking to bribe another person or entity with the intention of securing any form of improper business advantage; or influence governmental actions. • Performing monitoring and assurance activity including by both internal and external audit to ensure that our procedures, systems and controls are adequately designed and operating effectively. Following audit completion remediation activities are completed as required. • Participating in cross industry initiatives to tackle bribery and corrupt practices <p>The Speak Up policy is purposely broad, covering anyone who acquires information about wrongdoing</p>	
--	---	--

	<p>through work related activity, during recruitment, or as part of any pre-contractual negotiations. It covers all employees and those acting on behalf of or representing NatWest Group such as contractors, subcontractors, suppliers, temporary staff, secondees, consultants, interns, and volunteers. This also includes any persons formerly in these roles. Throughout the rest of this policy, we will refer to the above individuals as 'reporters' or 'reporting persons'. You can raise your concerns:</p> <ul style="list-style-type: none"> - With a colleague or line management if you are comfortable discussing your concerns with them; or - Confidentially, and anonymously if preferred, through the dedicated whistleblowing reporting service 'Speak Up'. <p>Speak Up is a confidential 24/7 telephone and online reporting service operated on behalf of NatWest Group by a third-party supplier. Reports can also be made directly to the Speak Up team via email or letter. Alternatively, a physical meeting to raise your concerns can be arranged upon request. The most efficient way to raise your concerns is online.</p> <p>Where you are unsure whether your concerns would be best addressed through Speak Up or otherwise, please contact the Speak Up Team for advice.</p> <p>If you believe you have suffered any form of retaliation or detriment because of raising a concern you should contact the Speak Up team so that they can provide support and arrange for the matter to be investigated.</p> <p>Employees must not:</p> <ul style="list-style-type: none"> • Subject anyone to detriment, dismissal, or any other mistreatment due to them reporting concerns 	
--	--	--

Taking Action in Support of Broader UN Goals and Issues

Criteria	Comment	Reference
<p>15: The COP describes core business contributions to UN goals and issues</p>	<p>We are committed to championing potential, helping people, families and businesses to thrive. Aligned to our purpose are three focus areas where we believe we can make a long-term, meaningful contribution to our customers, colleagues and communities. These are: climate, enterprise and learning. Our areas of focus contribute to UN Sustainable Development Goals (SDGs): 4, 5, 7, 8, 10, 13, 17. More detail on our embedding of SDGs can be found in our ESG Supplement.</p> <p>We have now been signatories to the Principles for Responsible Banking (PRB) for two years and remain committed to further aligning our strategy with the 2015 Paris Climate Agreement and the UN Sustainable Development Goals (SDGs). Our progress on the six principles can be found in our second self-assessment report (see p.61). In 2021, we responded to the</p>	<p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p> <p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/natwest-group-annual-report-accounts-2021.pdf</p>

collective progress survey, issued by UNEP FI, helping to build a global picture of the progress made by over 200 signatories. We welcomed recommendations on the report from the Civil Society Advisory Board, including recognising the importance of the UN Guiding Principles, which we are striving to further align with through our approach to human rights. (see p.47). We joined the Portfolio Impact Analysis working group and piloted the PRB impact assessment tool on our lending portfolio. The tool aims to identify potential positive and negative impacts in the context of sectors and countries, aligned to SDGs. The tool, which identifies impacts including climate, biodiversity and employment has been useful as an additional source of risk analysis. While in its infancy, we will continue to work collaboratively with UNEP FI to address challenges and use the tool and its methodology to deepen our understanding of the positive and negative impacts in our lending. We continued to work collaboratively and are active on the portfolio impact tool working group and the sub-groups focused on producing target-setting guidance for:

- Gender equality
- Financial inclusion and financial health
- Biodiversity

We are signed up to the Collective Commitment on Climate Action (CCCA) and joined the industry-led UN-convened Net-Zero Banking Alliance. In April 2021, alongside 42 other banks and UNEP FI, we became founding members of the Glasgow Financial Alliance for Net Zero (GFANZ). We welcomed the opportunity to participate in the UNEP FI events and invited them to speak to our colleagues through our Talent Academy and Sustainable Futures network to further embed the principles.

The 2030 UN Sustainable Development Goals (SDGs) have less than a decade to be achieved, and we recognise we can have positive, and potentially negative, impacts on all 17 goals. Our three focus areas are aligned to seven SDGs (4, 5, 7, 8, 10, 13, 17) where we believe we can make a positive contribution. SDGs are embedded into our green, social and sustainability bonds frameworks and our Climate and Sustainable Funding and Financing criteria. Our policies, including our Human Rights Statement, our Modern Slavery and Human Trafficking Statement and our Supplier Charter reinforce our commitment to SDGs.

We are members of the UN Global Compact (UNGC) working group on Making Global Goals Local. In 2021, NatWest Group supported the UNGC SDG Roadshows held virtually across the UK in the run up to COP 26,

and four talented colleagues completed the 2021 Young SDG Innovator ten month accelerator programme.

Coutts became B Corp certified in 2021, and through its engagement provider EOS at Federated Hermes, Coutts is working to achieve the SDGs through its voting and engagement with the companies in which it invests.

54 of our Sustainable Futures Champions set a personal SDG objective and 98 set a professional objective on our Workday platform, following a webinar on the goals

In 2020 Coutts scored the highest possible rating A+ (compared to a median score of A) for its Strategy & Governance on the UN-supported Principles for Responsible Investment assessment, and received scores of As and Bs in line or ahead of its peers for all other categories.

Gender Equality

Our Board composition exceeds the FTSE Women Leaders target with a figure of 36% female representation. We have female representation of 29% on our executive management team, with a female Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, Chief People & Transformation Officer and Chief Governance Officer & Company Secretary.

We have a target to have full gender balance in our CEO-3 and above global roles by 2030. At 31 December 2021, we had, on aggregate, 38% women in our top three layers, a decline of 1% since 31 December 2020. While representing an increase of 9% since targets were introduced in 2015, we know we have more to do and we continue to focus on the recruitment, retention and advancement of women to meet our 2030 target.

The mean gender pay gap for NatWest Bank is 30.1% (median: 34.2%) and the mean gender bonus gap is 26.0% (median: 12.5%). The statutory bonus gap calculated in line with regulation is the number including recognition vouchers (mean 50.5%; median 92.9%). This means that even colleagues who received a small recognition voucher – for example a £10 voucher – are included in the calculations. Most colleagues in our more junior jobs only receive fixed pay – a change made to provide more certainty over earnings; and this means that many colleagues included in the statutory bonus gap calculations only received a recognition voucher. We currently have a higher proportion of women in these roles. We therefore believe the figures excluding recognition vouchers, 26.0% (median: 12.5%), are the most accurate reflection of our gender bonus gap today.

For more details on gender pay within the bank see <https://www.natwestgroup.com/content/dam/natwestgroup.com/natwestgroup/pdf/gender-pay-gap-2022-natwestgroup.pdf>.

In line with being a signatory to HM Treasury’s ‘Women in Finance Charter’, we are committed to implementing its four key industry actions for gender balance across financial services. Executive Sponsor for Gender, David Lindberg (CEO, Retail Banking), is also part of the external Accountable Executive Taskforce for the Charter.

In 2021, we were listed as a ‘Times Top 50 Employer for Women’ for the 11th consecutive year. For the fifth year, we’ve retained our place in Bloomberg’s ‘Global Gender Equality Index’. NatWest Group India was recognised as the ‘Winner of Gender Inclusive Workplace’ by ‘UN Women Asia Pacific Awards 2021’ for the region and as a ‘Top 10 Best Workplaces for Women 2021’, awarded by the Great Place to Work (GPTW) Institute, India. Elsewhere, NatWest Poland won the ‘Fair to Women’ award, in recognition of their initiatives and, more specifically, for supporting women in technology.

We continued our long-standing collaboration with Women in Banking and Finance (WiBF), a volunteer-led organisation which aims to connect members to thought leaders, business leaders and women at all stages of their careers. Alison Rose was presented with WiBF’s first President’s Award, recognising her contribution to financial services over many years.

We remain committed to supporting the UN Sustainable Development goals on gender equalities and reduced inequalities. Women made up at least 60% of those we supported in 2021, and more than 26% were Black, Asian and Minority Ethnic. More than 75% of the businesses we support are based outside of London and the South East, with 53% of businesses having a socially purpose-led focus. In 2021, NatWest Group made an additional £1 billion in funding available to help support female-led businesses in the UK recover from the impact of COVID-19, this builds on the £1 billion announced in January 2020.

In March 2021 – two years on from the launch of the Rose Review – Alison Rose and Minister Scully (Parliamentary UnderSecretary (Department for Business, Energy and Industrial Strategy), published the second progress report on the review. Despite the multitude of challenges and uncertainty of 2020 and 2021, we are delighted that the update highlighted real progress on all eight Rose Review recommendations.

	<p>The first annual publication of the Investing in Women Code report – a commitment by financial services firms to improve female entrepreneurs’ access to tools, resources and finance launched by Alison Rose and HM Treasury in July 2019 – came out in April 2021. The report contained industry commentary and insight on the impact of COVID-19, as well as outlining best practice from finance providers on how to support female entrepreneurs. We believe this marks another important output from the Rose Review and is another step towards encouraging greater gender transparency in business funding.</p> <p>A key barrier to female entrepreneurs starting or scaling a business is a lack of relatable role models and access to networks, sponsorship and mentorship opportunities through which they can gain relevant advice and insight. To help address this, through the SME Taskforce, NatWest collaborated with Digital Boost to provide tailored digital training and advice to SMEs and charities looking for extra support to help grow their business and boost revenues. Elsewhere, following a successful two-year pilot, our ‘Expert in Residence’ programme launched across the UK, dedicating 28 roles based in branches and communities to help female entrepreneurs realise their growth ambitions. Expert in Residence is delivered by local enterprise managers. Working collaboratively with our Local Enterprise Partners across the UK they proactively spend time supporting local businesses, sharing advice, creating networks, leveraging the local ecosystem, and hosting events to boost businesses and help them grow. From a colleague perspective, a further 320 NatWest Group employees progressed through our ‘Women in Business’ accreditation programme. This takes our total to over 1,000 Women in Business specialists, providing expertise and delivering online events specifically for our female business customers.</p> <p>We’re committed to supporting families and carers, ensuring they are able to balance family and work responsibilities in a way that supports their mental and physical wellbeing. To enable this, we offer a broad and competitive range of family-friendly and leave policies which reflect local practices in each of our global jurisdictions. These policies include maternity, adoption, shared parental, paternity, parental, carers, and dependents’ leave. To ensure continuous improvement across our policy offering, we actively listen to colleagues through our colleague experience feedback forums, our employee-led networks, our employee representatives, and regular industry benchmarking. As a purpose-led organisation, we also recognise we have an important role in proactively supporting colleagues during difficult times. As such, in 2021 we introduced support for colleagues experiencing domestic abuse</p>	
--	---	--

	<p>through our ‘Safe Leave Policy’. Under the policy, colleagues will be able to take two weeks paid leave to support with relocating, and unlimited paid time off to attend related appointments (e.g. court hearings, solicitor meetings). We also provide bereavement support for colleagues experiencing loss, including those who have lost a baby. Recognising that individuals will deal with loss differently, our Bereavement Policy provides for paid leave, with further support available through our Employee Assistance Programme, and Family and Carers Employee Led Network.</p> <p>Please see our 2021 ESG Supplement, 2021 Annual Report and Accounts and Diversity, Equality and Inclusion webpage for more information.</p>	
<p>16: The COP describes strategic social investments and philanthropy</p>	<p>We’re committed to supporting and giving back to the communities we operate in. Our direct community investment in 2021 amounted to £7,266,818(*) compared with £11,078,270(1) in 2020, as measured using the Business for Societal Impact benchmarking standard. This includes the funding we make available to support colleague giving and the direct costs of delivering our community programmes.</p> <p>In 2021, we continued to promote our Do Good Feel Good campaign to give our colleagues opportunities to support the good causes they care about. As COVID-19 restrictions eased, we recommenced our popular challenge events in October 2021, offering colleagues free access to walking, running and abseil events across the UK, as well as a virtual event, enabling colleagues around the globe to take part. Across all our fundraising and volunteering programmes, our colleagues have given £3,543,533 and 43,003 worktime volunteering hours. The COVID-19 response was still very much in our focus in 2021. In April, as the pandemic in India was escalating, our colleagues supported the Disasters Emergency Committee’s Coronavirus Appeal. NatWest Group, which has 13,000 employees in India, also donated £260,000 to UNICEF’s VaccinAid campaign to help vaccinate two billion people worldwide.</p> <p>Following our support of the National Emergencies Trust Coronavirus Appeal in 2020, for which we were shortlisted for several awards, NatWest Group became a patron of the NET in January 2021. In this new capacity, we are one of the first organisations the charity calls on in an emergency response and on hand to supply surge capacity volunteers.</p> <p>NatWest Group has three independent, well-established charities, which continue to support specific activities in line with our purpose – including The NatWest India Foundation(2), the Coutts Foundation(3) and NatWest</p>	<p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p>

	<p>Social & Community Capital(4). To better understand where and how we can impact, we needed to deepen our understanding of the communities in which we live and serve. In 2021, we produced leading research into why communities matter to people (and how to build them) with the Centre for Social Justice, and researched the role ethnicity plays in the lived experience of banking services in the UK.</p> <p>Since 2007, NatWest Group colleagues have given their time, energy and skills to undertake vital conservation projects across the UK. Together we have created new forests, built new green parks, and restored derelict land to community use. The impact of this work will be felt for years to come.</p> <p>The idea was simple: to make a positive contribution to tackling climate change, while helping to improve natural environments and enjoying the benefits of being outdoors and working together as a team. In 2021, 32,235 trees were planted by colleagues, in our new tree planting programme with The Conservation Volunteers.. While the pandemic impacted our ability to undertake as much of the conservation work as we would have liked, the programme continues into 2022, with tree planting occurring throughout the first and fourth quarters of the year.</p> <p>Colleagues are encouraged to take part in projects in their local area, learning about different planting methods and how these will support biodiversity. It also gives our volunteers the chance to directly help their local communities, seeing the benefits of their work for years to come.</p>	
<p>17: The COP describes advocacy and public policy engagement</p>	<p>In our 2021 ESG Supplement, we provide some examples of our signatories, memberships and accreditations including the following UN-backed initiatives:</p> <ul style="list-style-type: none"> - UN Global Compact - UNEP FI Principles for Responsible Banking - UN supported Principles for Responsible Investment - UN Sustainable Development Goals - UN Guiding Principles on Business and Human Rights <p>In 2021, NatWest Group supported the UNGC SDG Roadshows held virtually across the UK in the run up to COP 26, and four talented colleagues completed the 2021 Young SDG Innovator ten month accelerator programme. In 2021 Coutts became B Corp certified, and through its engagement provider EOS at Federated Hermes, Coutts is working to achieve the SDGs through its voting and engagement with the companies in which it invests.</p>	<p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p>

	<p>Please see our 2021 ESG Supplement for more information.</p>	
<p>18: The COP describes partnerships and collective action</p>	<p>Page 16 of our 2021 ESG Supplement provides some examples of our signatories, memberships and accreditations. Some highlights include:</p> <ul style="list-style-type: none"> – UN Global Compact – UNEP FI Principles for Responsible Banking – UN supported Principles for Responsible Investment – Science Based Targets initiative (SBTi) – The Climate Group – The Financing a Just Transition Alliance – Partnership for Carbon Accounting Financials (PCAF) – Net Zero Asset Managers initiative (NZAM) – Climate Action 100+ – HM Treasury Women in Finance – Race at Work Charter – Sustainable Markets Initiative (SMI) – Glasgow Financial Alliance for Net Zero (GFANZ) – Equator Principles (EP) – Taskforce on Nature-related Financial Disclosures (TNFD) – Net-Zero Banking Alliance (NZBA) – Business in the Community (BiTC) – Powering Past Coal Alliance – UK Finance <p>We continued to develop and enhance capabilities to measure our carbon footprint in relation to our own operational footprint as well as financed emissions:</p> <ul style="list-style-type: none"> – We reduced our direct own operations carbon footprint by 46% against a 2019 baseline, and increased our renewable electricity consumption to 97%. – We worked on enhancing our capabilities across an additional eight emissions intensive wholesale sectors. We also extended the scope of emissions calculations for the oil and gas sector beyond extraction activities covered in 2020. We have now analysed 52% of our loans and investment portfolio based on 2019 gross on-balance sheet loans and investments. – To support our commitments to the Net Zero Banking Alliance, we will align to the Science Based Targets initiative’s (SBTi) definition and account for the wider value chain, including suppliers, for our own operational footprint. – We have submitted our 2030 sector emissions reduction estimates to SBTi for validation and will continue our work to enhance availability of data to 	<p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p> <p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-climate-related-disclosure-report.pdf</p>

	<p>support future calculations of financed emissions and emissions intensities.</p> <p>Further examples of collaborations and partnerships can be found throughout our 2021 ESG Supplement, our 2021 Climate-related Disclosures Report and our 2021 Annual report and Accounts.</p>	
Corporate Sustainability Governance and Leadership		
Criteria	Comment	Reference
19: The COP describes CEO commitment and leadership	<p>Our CEO statement can be found in pages 7-10 of our 2021 Annual Report and Accounts. This covers how NatWest Group’s execution is centred around purpose, driving sustainable growth through our strategic priorities.</p> <p>Importantly, our commitment to ESG spans the entire NatWest Group. Whether it has been through the issuing of a €1 billion affordable housing social bond (the first of its kind by a UK bank), the fantastic achievement of Coutts receiving B Corp status, or from the work of NatWest Markets supporting our corporate clients in sustainability-linked financing, our focus on ESG is being integrated throughout our business. We have also been a signatory to the UN Principles for Responsible Banking for over two years now and we remain committed to aligning our strategy to the UN Sustainable Development Goals. We also recognise that now more than ever our stakeholders are eager to understand how we are working to address key environmental and societal issues. It was therefore particularly pleasing to see the launch of our inaugural ESG Supplement and our Climate-related Disclosures Report in the first half of 2021. Both of these documents have not only helped us to be more transparent with our stakeholders, they will also support wider reflection and engagement on ESG matters across NatWest Group.</p> <p>Group CEO has overall accountability for delivery of sustainable business performance. Joint Senior Management Function accountability with the Group Chief Risk Officer for identifying and managing financial risks from climate change. Both are key members of the Group Climate Change Executive Steering Group, which acts as the principal forum overseeing NatWest Group’s climate-change activities.</p> <p>Please see page 13 of our 2021 ESG Supplement for more details on responsible governance.</p>	<p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p> <p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/annual-reports/full-annual-report.pdf</p>
20: The COP describes Board adoption and oversight	<p>NatWest Group plc Board is responsible for promoting the long-term sustainable success of NatWest Group and the setting of strategic (including ESG) aims. The Board establishes NatWest Group’s purpose, values and strategy and leads the development of NatWest Group</p>	<p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p>

	<p>culture. It oversees NatWest Group progress and performance as a purpose-led organisation.</p> <p>Group Sustainable Banking Committee supports the Board in overseeing and challenging actions being taken by management to run NatWest Group as a sustainable business including challenging ESG ambitions and external commitments, for example, UN Principles for Responsible Banking (PRB).</p> <p>The NatWest Group plc (NWG) Terms of Reference state that one of its responsibilities is to ‘Approve NWG’s Annual Report and Accounts and its other published financial statements and other material and significant statements issued to shareholders or the London Stock Exchange.’</p> <p>Approval of Strategic report The Strategic report for the year ended 31 December 2021 set out on pages 1 to 81 was approved by the Board of directors on 17 February 2022. In February 2021, the Board approved 2020 ESG Supplement and Climate-related Disclosures Report. See page 14 of our Climate Related Disclosure Report.</p> <p>Please see page 13 of our 2021 ESG Supplement for more details on responsible governance.</p>	<p>https://www.natwestgroup.com/content/dam/natwestgroup.com/natwestgroup/pdf/NWG-Board-ToR.pdf</p> <p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/annual-reports/full-annual-report.pdf</p> <p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-climate-related-disclosure-report.pdf</p>
<p>21: The COP describes stakeholder engagement</p>	<p>Listening, engaging and partnering with stakeholders helps us to address our business impacts and improve outcomes for customers, society and the environment. For more detail on our Stakeholder Groups, how we engaged with them, what we discussed and the outcome of engagement please see pages 14-17 of our 2021 Annual Report and Accounts.</p> <p>Being purpose-led means we strive to create value by balancing the different needs of our stakeholders. And as the leading bank in the UK for business customers, and one of the largest for retail customers, we know the impacts of our business are wide-ranging. In 2021, our ESG materiality assessment involved a programme of stakeholder engagement to deepen our understanding of the ESG issues that matter most to them. The findings guide our reporting and decision-making, ensuring we remain focused on the right issues.</p> <p>For more detail on Key ESG Topics for our stakeholders please refer to pages 11-12 of the ESG Supplement</p> <p>We listen to colleagues and use this insight to ensure we attract, engage and retain the best talent for the future. Our colleague listening strategy – which includes our colleague opinion surveys; a ‘Colleague Advisory Panel’ (CAP) that connects colleagues directly with our Board; the Colleague Experience Squad, a group of colleagues who volunteer to provide feedback on colleague</p>	<p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/annual-reports/full-annual-report.pdf</p> <p>https://www.natwestgroup.com/our-purpose/our-approach/stakeholder-engagement.html</p> <p>https://investors.natwestgroup.com/~media/Files/R/RB-S-IR-V2/results-center/18022022/2021-esg-supplement.pdf</p>

	<p>products and services; and 'Workplace', our social media platform – all contribute to a deeper understanding of colleague sentiment. We also track metrics and key performance indicators to benchmark with sector and high-performing comparisons.</p> <p>Our Speak Up policy sets out our commitment to protect anyone raising a genuine concern, even if the concern raised is considered to be unsubstantiated (not proven) after investigation. All whistleblowing concerns are investigated, as appropriate. Where concerns are substantiated, recommendations are made for remedial action, which can include changes to processes and controls as well as disciplinary action. Furthermore, the harassment, victimisation or discrimination of anyone raising a genuine concern will be viewed as a disciplinary matter. In 2021, 98% of those completing our colleague opinion survey indicated that they know how to raise concerns about wrongdoing in their business. 89% of colleagues felt it was safe to speak up in their business, and 88% believe that if they raise concerns they will be handled appropriately. In 2021, 415 cases were raised compared to 441 in 2020.</p>	
--	--	--