

# Environmental, Social and Ethical

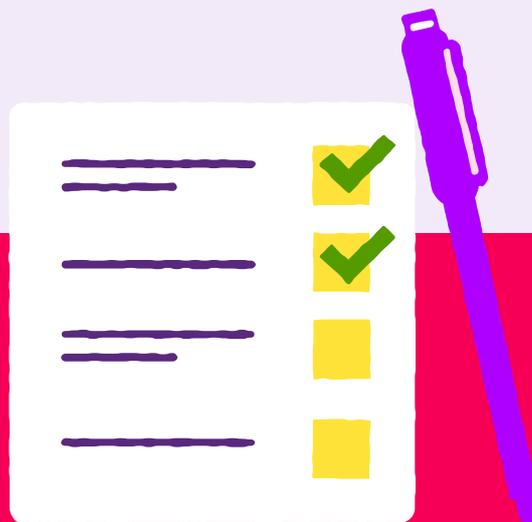
# Risk



NatWest  
Group

## Animal Welfare

## Risk Acceptance Criteria



# Animal Welfare

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 and/or animal rights infringements. ESE risk 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. To manage these risks, we have developed Risk Acceptance Criteria for sectors which present heightened ESE risk and define the level of ESE risk the bank is prepared to accept.

The ESE Risk Framework supports our long-term, ongoing work for our appetites and practices to be informed and guided by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

## Scope

The ESE Risk Framework applies to all legal entities within the Group for the onboarding of non-personal customers for the purposes of providing lending or loan underwriting services and applies to the management of ESE risk throughout these customers lifecycles.

## Context

The ESE Animal Welfare Risk Acceptance Criteria covers the following activities:

- Animal Testing
- Animal products used for fashion/retail
- Animals used for entertainment
- Hunting Trophies

We expect all customers in the agriculture sector or who are responsible for the welfare of animals in their day-to-day operations to adhere to all laws and regulations related to animal welfare and to encourage them to respect the standards outlined in the Five Animal Freedoms.

We only support companies involved in animal testing where they have obtained a relevant licence. The UK Government is committed to ensuring that any company granted a licence under the Animals (Scientific Procedures) Act 1986 must rigorously and demonstrably apply the 3Rs principles (Replace, Refine, Reduce).

We expect all companies to operate in line with all relevant local, national and international laws specifically the UK Animal Welfare Act 2006, and any licencing regimes where applicable for the activities that they undertake.

Where material concerns relating to animal welfare violations <sup>[1]</sup> are identified, we will engage with the customer to understand the actions they have taken to cease and remediate and prevent future violations.

This document summarises our ESE Risk Acceptance Criteria for the Animal Welfare sector.

## Prohibited

- Evidence <sup>[2]</sup> of animal welfare violations <sup>[1]</sup> where the customer is unable to demonstrate that it has taken any action to cease, remediate, prevent and/or mitigate, as appropriate, the relevant violation.
- Animal testing without a licence where a licence is required.
- Fur traders and fur retailers where it is their primary product line.
- Direct involvement in fur farming (for example, foxes, seals, minks, cats and dogs).
- Direct involvement in Angora (wool and fur) production.
- Game reserves used for trophy killing.
- Import of hunting trophies to the UK.
- Companies who use animals for entertainment purposes (this excludes the use of animals for educational or informative purposes, where the appropriate licence has been obtained).

## Restricted

- Evidence <sup>[2]</sup> of animal welfare violations <sup>[1]</sup> where the customer is able to demonstrate that it has taken action to cease, remediate, prevent and/or mitigate, as appropriate, the relevant violation within a time frame which is acceptable to the bank.

## Normal

- No evidence <sup>[2]</sup> of animal welfare violations <sup>[1]</sup>.

## Glossary

Item	Definition
1. Animal welfare violation	A breach of relevant animal welfare legislation or animal codes of practice.
2. Evidence	A finding of an animal welfare violation by a government (including a government agency), supervisory authority or national or international court.