

## NatWest Group plc - California AB 1305 Statement

This statement (the “Statement”) has been prepared by NatWest Group plc (“NWG”, “our” and/or “we”) and summarises where the disclosure required by California’s Voluntary Carbon Market Disclosures Act (“AB 1305”) can be found throughout our [2024 Annual Report and Accounts](#) (“2024 Annual Report”), our [2024 Sustainability Report](#) (“2024 Sustainability Report”), our [2024 Sustainability Basis of Reporting, 2024 Sustainability Datasheet](#) (these reports together referred to as “2024 Sustainability Reporting Suite”) and other relevant sustainability and/or environmental, social and governance (“ESG”) related reports and statements (see our webpage on [Sustainability](#)).

Below is a summary of the key statements relating to NWG’s net-zero ambition, and greenhouse gas emissions (GHG) reduction made in our 2024 Sustainability Reporting Suite and other relevant sustainability and/or ESG reports and statements. We refer you to those documents where these statements are outlined in full.<sup>1</sup>

- i. An ambition to be net zero by 2050 across our financed emissions, assets under management and our operational value chain.<sup>2</sup>
- ii. An ambition to at least halve the climate impact of our financing activity by 2030, against a 2019 baseline, supported by sector targets.
- iii. An ambition to reduce the carbon intensity of our Managed Assets by 50% by 2030, against a 2019 baseline, and to move 70% of Managed Assets to a net-zero pathway.<sup>3</sup>

Our 2024 Sustainability Reporting Suite includes other ambitions and plans that may directly or indirectly contribute to GHG emissions reductions that are summarised on page 6 and 7 of the 2024 Sustainability Report and discussed throughout the 2024 Sustainability Report.

We report our estimated absolute emissions and estimated emissions intensity reductions on the following pages in our 2024 Sustainability Report:

- i. Estimated financed emissions and emissions intensities: pages 41-44.
- ii. Weighted average carbon intensity (WACI) and portfolio alignment of managed assets: pages 67 and 75.

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<sup>1</sup> NWG’s ability to achieve its strategy, including its climate ambitions and targets, will significantly depend on many factors and uncertainties beyond NWG’s control. The most important of these uncertainties and factors, which could cause actual results and outcomes to differ materially from those expressed or implied in forward-looking statements, are summarised in the ‘Risk Factors’ included on pages 408 to 426 of NWG’s 2024 Annual Report (with special regard to the risk factors in relation to climate and sustainability-related risks that describe several particular uncertainties and climate and sustainability-related risks to which NWG is exposed and which may be amended from time to time). For more information, refer to pages 93 to 97 of the 2024 Sustainability Report (Cautionary Statements).

<sup>2</sup> Our operational value chain captures greenhouse gas emissions Scopes 1, 2 and 3 (Categories 1-14, excluding Categories 8, 10, 14).

<sup>3</sup> Our net zero by 2050 AUM ambition encompasses total AUM, including Managed Assets, Bespoke and Advisory, refer to page 65 of the 2024 Sustainability Report for details. NWG consider Managed Assets (those assets NWG invest on our customers’ behalf, which totalled £37.0 billion as at 31 December 2024) to be in scope for our interim 2030 portfolio alignment target and weighted average carbon intensity (WACI) ambition. For details, refer to pages 38 to 39 of the [Net Zero Asset Managers Initiative’s Initial Target Disclosure Report \(May 2022\)](#).

- iii. Operational value chain emissions: pages 47-50. Page 49 also includes information about our use of, and efforts to decrease our reliance on, the carbon credit market by funding our own projects. We neither market nor sell voluntary carbon credits in California nor use of buy voluntary carbon credits sold in California.

NWG's AB 1305 disclosures should be viewed alongside its overall approach to the disclosure of climate-related financial risks, which includes the following:

- i. a confirmation made by NWG that
  - it has set out its climate-related financial disclosures in part in the 2024 Annual Report, in part in the 2024 Sustainability Report, in part in the 2024 Sustainability Basis of Reporting and in part in the 2024 Sustainability Datasheet; and
  - it has made climate-related financial disclosure for the year ended 31 December 2024, that it believes are consistent with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures (as defined in the FCA's Listing Rules, as amended by the Disclosure of Climate-Related Financial Information (No 2) Instrument 2021). The latest assessment of consistency with the TCFD Recommendations and Recommended Disclosures can be found on page 55 of the 2024 Annual Report, page 15 of the 2024 Sustainability Report and the 2024 Sustainability Datasheet.
- ii. NWG has made disclosures consistent with the requirements set out in Chapter 2 of the Financial Conduct Authority's Environmental Social and Governance Sourcebook, as outlined on page 15 of the 2024 Sustainability Report, including relevant cross-references.
- iii. NWG has made disclosures addressing its regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting (SECR) has been included on pages 49 of the 2024 Annual Report.
- iv. NWG published its 2024 Sustainability Datasheet indicating progress against industry-wide sustainability standards including: TCFD, the Sustainability Accounting Standards Board (SASB) standards and the Global Reporting Initiative (GRI) standards. NWG is also a signatory of the UN Principles for Responsible Banking (PRB). Further information can be found on page 64 of the 2024 Annual Report. Additional data relating to NWG's progress with reference to industry-wide sustainability standards can be found in our 2024 Sustainability Datasheet.
- v. Data relating to NWG's approach, scope, and controls for certain sustainability metrics are included in the 2024 Sustainability Reporting Suite and the assurance report prepared by Ernst & Young LLP ("EY"), hereinafter referred to as [EY Sustainability Assurance Statement](#).

## NWG – CA AB 1305 DISCLOSURE<sup>4</sup>

CA AB 1305 Disclosure Requirement	Location in NWG Reporting Suite
<p><b>How does NWG seek to determine how its net-zero emissions reduction ambitions are to be accomplished and its reported emission reductions are accurate?</b></p>	<ul style="list-style-type: none"> <li>- Information regarding NWG’s governance of climate-related matters is contained on page 90 of the 2024 Annual Report.</li>   <li>- Information regarding NWG’s climate-related methodologies with respect to measuring GHG emissions is contained in the 2024 Sustainability Basis of Reporting on pages 4-12 and the Annual Report on page 46-49. Further details can be found in the 2024 Sustainability Report on pages 24-26, 41-50 and 75.</li>   <li>- Statements on NWG’s 2050 net-zero and 2030 greenhouse gas emissions (GHG) reduction ambitions are included on pages 6 and 7 of the 2024 Sustainability Report. For information as to how NWG set its baseline (including its baseline year) for its 2050 net-zero and 2030 greenhouse gas emissions (GHG) reduction ambitions, please refer to: <ul style="list-style-type: none"> <li>• page 53 of the <a href="#">2020 Climate-related Disclosures Report</a> and page 73 of the <a href="#">2021 Climate-related Disclosures Report</a> for NWG’s ambition to at least halve the climate impact of our financing activity by 2030;</li>   <li>• pages 66 and 67 of the 2024 Sustainability Report for NWG’s plan to reduce the carbon intensity of our Managed Assets by 50% by 2030, and to move 70% of Managed Assets to a net-zero trajectory ambition; and</li>   <li>• pages 66 and 67 of the <a href="#">2021 Climate-related Disclosures Report</a> and pages 51, 71 and 72 of the <a href="#">2022 Climate-related Disclosures Report</a> for NWG’s plan to reduce emissions for our operational value chain by 50% by 2030.</li> </ul> </li>   <li>- NWG’s scope 1, scope 2 (location-based and market based) and scope 3 (category 1-15, were applicable) emissions data is subject to third party assurance, see the 2024 Sustainability Report (page 2) and the EY Sustainability Assurance Statement for further details on the scope and level of assurance provided.</li> </ul>

<sup>4</sup> The information contained in this table is not intended to fulfil NWG’s AB 1305 disclosure obligations by itself; such disclosure is located throughout the 2024 Sustainability Reporting Suite and other documents as noted in the table. The table instead provides a summary of the location within NWG’s reporting suite where detailed disclosure can be found.

<p><b>How is NWG measuring interim progress toward NWG's net zero goals?<sup>5</sup></b></p>	<ul style="list-style-type: none"> <li>- Information regarding NWG's climate-related methodologies with respect to measuring GHG emissions is contained in the 2024 Sustainability Basis of Reporting on pages 4-12 and the 2024 Annual Report on pages 47-48. Further details can be found in the 2024 Sustainability Report on pages 24-26, 41-50 and 75.</li> <li>- Further details of methodologies underpinning NWG's targets validated by the Science Based Targets initiative (SBTi) as science-based<sup>6</sup> is available in the 2024 Sustainability Basis of Reporting on pages 4-12, 2024 Annual Report on pages 47-48 and in the 2024 Sustainability Report on pages 24 -26, 41-50 and 75.</li> <li>- Progress against NWG's SBTi targets is included on pages 24-26 and 41- 50 of the 2024 Sustainability Report.</li> </ul>
<p><b>What independent third-party verification or sector methodologies are used for NWG's greenhouse gas emissions data, science-based targets and emissions reduction pathways?</b></p>	<ul style="list-style-type: none"> <li>- EY were engaged by NWG during 2024 to perform an assurance engagement in accordance with International Standard on Assurance Engagements (UK) 3000 July 2020, in respect of certain NWG sustainability metrics and elements of the UN PRB Template presented in the Strategic Report included in the 2024 Annual Report, ESG Disclosures and the Sustainability Report. <ul style="list-style-type: none"> <li>o NWG's scope 1 and 2 (location-based and market-based) emissions is subject to reasonable assurance.</li> <li>o NWG's scope 3 (categories 1-14) emissions are subject to limited assurance.</li> <li>o NWG's scope 3 (category 15) emissions, physical and economic emissions intensities and PCAF data quality scores are subject to limited assurance for the following sectors, as outlined in the EY Sustainability Assurance Statement: <ul style="list-style-type: none"> <li>▪ Residential Mortgages</li> <li>▪ Corporate Real Estate</li> <li>▪ Oil and Gas</li> <li>▪ Agriculture – Primary Farming</li> <li>▪ Aviation</li> <li>▪ Electricity Generation</li> <li>▪ Retail</li> <li>▪ Leisure</li> </ul> </li> </ul> </li> </ul>

<sup>5</sup> Per AB 1305, this information may include, but not be limited to, disclosure of independent third-party verification of all of the entity's greenhouse gas emissions, identification of the entity's science-based targets for its emissions reduction pathway, and disclosure of the relevant sector methodology and third-party verification used for the entity's science-based targets and emissions reduction pathway.

<sup>6</sup> SBTi is a voluntary paid service which has independently validated the above NatWest Group's 2030 physical emission intensity targets as science-based targets set in line with the validation criteria and recommendations of the SBTi Financial Sector Science-based Targets Guidance (August 2022) (the "SBTi FI Guidance").

	<ul style="list-style-type: none"><li>▪ Manufacturing</li><li>- NWG's Operational value chain and sectoral emission intensity reduction targets were validated by the Science Based Targets initiative (SBTi) as science-based in 2022. Further details, including scenario selection, can be found in in the 2024 Sustainability Basis of Reporting on pages 4-12 and the 2024 Sustainability Report on pages 25-26 and 41-50.</li></ul>
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*This Statement was made and published by NatWest Group plc (also on behalf of its subsidiaries including NatWest Market Securities, Inc.) on 4 March 2025.*

## Important Notice

This Statement is also made on behalf of NWG's subsidiaries (including NatWest Market Securities, Inc.) and is intended to address their compliance obligations under AB 1305. We advise that these disclosures were published on 4 March 2025 and represent our views as of that date with respect to the fiscal year ended 31 December 2024.

We advise that the documents referred to within this Statement should be read in full including without limitation:

- the estimates, assumptions and judgements upon the statements, including without limitation our climate ambitions and targets, contained in such documents are based;
- the risks and uncertainties relating to those assumptions as described in the risk factors and forward-looking statements disclaimers included or referred to in such documents; and
- the steps to be taken by NWG to achieve any claims made, along with progress made thus far, where applicable.

By posting information on its website, NWG, including its subsidiaries and affiliates, is not conceding that it is subject to, or is making claims that are subject to, AB 1305, that any specific item is required to be disclosed under AB 1305, nor waiving any arguments about the interpretation or scope of application of AB 1305.

### Risks relating to achievement of our climate ambitions.

NWG's ability to achieve its climate ambitions and targets entails significant risks and will significantly depend on many factors and uncertainties beyond NWG's control. The most important of these uncertainties and factors are summarised in the Risk Factors included on pages 408 to 426 of NWG's 2024 Annual Report (with special regard to the risk factors in relation to 'Climate and sustainability-related risks' that describe several particular uncertainties, climate and sustainability-related risks to which NWG is exposed and which may be amended from time to time). For more information, also refer to pages 93 to 97 of the 2024 Sustainability Report (Cautionary Statements).

As disclosed on page 6 of the 2024 Sustainability Report, in relation to our ambition to be net zero across our financed emissions, assets under management and our operational value chain by 2050, which is aligned with the UK's legal commitment to be net zero by 2050, "*our climate ambitions are unlikely to be achieved without timely and appropriate government policy and technology developments, as well as the supplier, customer and societal response required to support the transition.*"

*"With regards to our 2030 Scope 3 financed emissions ambitions, while UK Government policies are expected to continue to provide incentives for customer transition and technology development, delays to a range of net-zero related UK Government policies indicate the pace of implementation is slower than required for the net-zero transition as initially outlined in the UK Climate Change Committee's (UK CCC) Sixth Carbon Budget, issued in 2020.*

*While the new government has announced various initiatives since the UK general election in July 2024, including the creation of the National Wealth Fund and the decarbonisation of the energy sector, these are yet to be embedded within the policy framework and the UK CCC's credibility assessment. We will continue to engage on and monitor Government policy developments.*

*In February 2024, we disclosed that we considered the achievement of our ambition to at least halve the climate impact of our financing activity by 2030, against a 2019 baseline, to be increasingly challenging. We continue to view this ambition as increasingly challenging, particularly in light of policy uncertainties.*

*In light of this, we plan to review our climate ambitions and targets during 2025 in the context of the UK CCC's Seventh Carbon Budget which is expected to be published on 26 February 2025. We expect the latest proposed UK policy initiatives, will be reflected in this publication."*

#### **Climate-related and other forward-looking statements and metrics.**

This Statement (and communications within documents referred to within this Statement) contains both historical and forward-looking statements. Words or phrases such as 'ambition', 'achieve', 'aim', 'estimate', 'expect', 'goal', 'guidance', 'intend', 'intention', 'may', 'objective', 'will', 'would' or similar expressions that convey the prospective nature of events or outcomes generally indicate other forward-looking statements.

There are many significant uncertainties, assumptions, judgements, opinions, estimates, forecasts and statements made of future expectations underlying these forward-looking statements which could cause actual results, performance, outcomes or events to differ materially from those expressed or implied in these forward-looking such statements. Undue reliance should not be placed on the forward-looking statements herein. No assurance can be given by or on behalf of NWG that changing national and international standards, industry practices, regulatory requirements and market expectations will not be interpreted differently to NWG understanding when defining its climate and sustainability-related ambitions and targets (or will not change in a manner that substantially increases the cost or effort to achieve such ambitions and targets).

The forward-looking statements contained in this Statement only speak as of the date they were published. Except to the extent legally required, we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements in this Statement, whether to reflect any change in our expectations regarding those forward-looking statements, any change in events, conditions or circumstances on which any such statement is based, or otherwise.

Further details can be found on pages 93-97 of the 2024 Sustainability Report ('Caution about climate metrics and data required for climate reporting' and 'Climate-related and other forward-looking statements and metrics').

#### **No duty to update.**

The forward-looking statements contained in this Statement (and within documents referred to) only speak as of the date they were published. Except to the extent legally required, we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements in this Statement, whether to reflect any change in our expectations regarding those forward-looking statements, any change in events, conditions or circumstances on which any such statement is based, or otherwise.

#### **No offer of securities or investment.**

The information, statements and opinions contained in this Statement do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. This Statement, the information and disclosure included herein are not formally part of any offering documents and are not contractually binding.