

Environmental, Social and Ethical

Risk



NatWest
Group

Adult Entertainment

Risk Acceptance Criteria



Adult Entertainment

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. 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 both 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

This sector appetite covers NatWest Group support provided to companies in the Adult Entertainment sector. This includes companies involved in producing and broadcasting pornographic material; sex shops/cinemas and Sexual Entertainment Venues (including lap dancing clubs and strip shows).

NatWest Group acknowledges the risks associated around the Adult Entertainment sector, which include the promotion of gender inequality, ease of access to pornography, human trafficking, forced and child labour, and links to prostitution, drugs, crime and money laundering risk.

NatWest Group provides individuals working legally in this sector with banking services subject to them meeting the product/service eligibility criteria and passing standard onboarding checks.

Where material concerns relating to human rights violations ^[1] are identified, including with respect to the salient human rights issues ^[2] identified by NatWest Group, 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 Adult Entertainment sector.

Prohibited

- Evidence ^[3] of human rights violations ^[1] 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.
- Owners/operators of brothels, businesses facilitating prostitution.
- Sexual entertainment venues ^[5].
- Unlicensed physical sex shops ^[6].
- Production of Pornography ^[7] where the company is in breach of regulatory standards.

Restricted

- Evidence ^[3] of human rights violations ^[1] 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 timeframe which is acceptable to the bank.
- Publishers, producers and broadcasters of pornography ^[7] (TV, film and online demand programme services ^[4]).
- Licensed physical sex shops ^[6] .
- Licensed sex cinemas
- Sex chatlines/chatrooms (TV, internet or telephonic).
- Online sex shops ^[6], dependent on provision of a satisfactory company statement confirming no sale of pornography at R18 classification or with explicit content beyond R18 classification, and that effective age verification controls are in place.
- Entertainment companies that offer the services of strippers (including nightclubs, pubs, strip-o-gram services).
- Other entertainment–burlesque clubs, bunny clubs, event companies involved in erotica.
- Dating websites and applications.

Normal

- No evidence ^[3] of human rights violations ^[1].

Glossary

Item	Definition
1.Human rights violation	A violation of any right which is inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status.
2. Salient human rights issues	The United Nations Guiding Principles Reporting Framework defines salient human rights issues as those rights that are at risk of the most severe negative impact through a company’s activities or business relationships. NatWest Group’s ‘Salient Human Rights Issues’ can be found at https://www.natwestgroup.com/sustainability/governance- and-responsible-business/human-rights-and-modern-slavery.html
3. Evidence	A finding of a human rights violation by a government (including a government agency), supervisory authority, national or international court or multinational development agency.
4. Online Demand programme Service	Conditions of qualifying as ODPS which is regulated by OFCOM is: content comparable to TV (adult content is specified), on-demand access, there is editorial control, available to public and should be under UK jurisdiction.

5. Sexual Entertainment Venues	Premises which their primary purpose is to provide any live performance or live display of nudity which is solely or principally for the purpose of sexually stimulating any member of an audience (whether by verbal or other means) and provides financial gain for the organiser or the entertainer. This includes lap dancing, pole dancing, table dancing, strip shows, peep shows, live sex shows.
6. Sex Shops	Shops where the primary purpose of a business is the retail sale of pornographic magazines and / or DVDs and sex toys.
7. Pornography	Printed, audio or visual material that has been classified, or contains images or audio equivalent to the classification of, R18 by the BBFC. This includes visual material depicting real and/or explicit description or display of sexual acts by/between consenting adults, or graphic imagery of reproductive organs, primarily intended to stimulate sexual arousal or stimulation.