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Second Party Opinion

NATWEST CLIMATE AND TRANSITION FINANCE FRAMEWORK ASSESSMENT

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NATWEST'S CLIMATE AND TRANSITION FINANCE FRAMEWORK ASSESSMENT

DNV INDEPENDENT ASSESSMENT

Scope and objectives

NatWest Group (hereafter referred to as "NatWest" or "the Group") is a UK-focused banking organisation headquartered in Edinburgh, UK, with a nationwide presence across all UK regions and operations in Europe, the USA and Asia. Established in 1970, the financial institution now serves over 19 million customers through its expanded range of banking services and products offered, including Retail to Commercial & Institutional and Private Banking Markets. The Group is a parent organisation for a range of other known brands within the financial services space, including Royal Bank of Scotland, Ulster Bank, Coutts, Lombard, RBS International, Holt's Military Banking and Free Agent.

NatWest's purpose to be "the bank that turns possibilities into progress" and its ambition of "succeeding with customers", are enabled by three key strategic priorities: disciplined growth, bank-wide simplification, and active balance sheet and risk management. Within each priority NatWest recognises climate related opportunities to enable it to align its balance sheet, assets under management and operational value chain with Net Zero by 2050.

As one of the UK's largest financial organisations, NatWest understands it has a critical role in the Transition to Net Zero. The Group views its transition as a strategic priority and a key impact area, NatWest's climate strategy is underpinned by its ambition to be Net Zero by 2050 across its financed emissions, assets under management and operational value chain. In 2022 the Group set sectoral targets validated by the Science-Based Target Initiative (SBTi) as science based.

By 2030 the Group aims to:

1. Halve the climate impact of its financing activity against a 2019 baseline, supported by sector targets;
2. Reduce carbon intensity of Managed Assets by 50% against a 2019 baseline and move 70% of Managed Assets to a Net Zero trajectory;
3. Reduce emissions for the operational value chain, against a 2019 baseline, by: reducing Scope 1 and location-based Scope 2 emissions by 70% and Scope 3 emissions by 50%, while continuing to consume 100% renewable electricity in its direct own global operations.

To achieve these ambitions, NatWest's approach is underpinned by its three business-wide strategic priorities, by supporting and attracting customers aiming to invest in the transition to net zero while deepening engagement, integrating climate and, over time, nature into decision-making, customer journeys, financial plans, systems and processes, and supplier engagement; as well as improving and executing policies and procedures to identify, assess and manage climate and nature-related risks.

In 2021 NatWest established a target to provide £100 billion climate and sustainable financing and facilitation by the end of 2025. In Q1 2025, the Group achieved its target[1]. To further these endeavours, in July 2025 the Group announced a new ambition to finance and facilitate another £200 billion for Climate and Transition financing by 2030. The addition of a "Transition" category aims to further support the real economy to align with the 2015 Paris agreement, recognising that this enables companies which do not directly deliver climate solutions to be supported in their transition.

[1] NatWest Q1 2025 | Interim Management Statement | Link

To transparently track and disclose progress against its Climate and Transition Finance target, NatWest outlines the relevant eligibility criteria for classifying assets, activities or counterparties in its Climate and Transition Financing Framework (hereafter referred to as “the Framework”). The Framework has evolved from NatWest’s previous Climate and Sustainable Funding and Financing Framework, removing reference to “sustainable” finance and incorporating Transition Finance, to better encapsulate the strategic focus on Climate and Transition financing. It provides a definition of Transition Finance based on key principles and industry standards, eligible market labels, as well as a list of eligible Transition activities and eligibility criteria for General Corporate Purpose (GCP) financing. Recognising the nascency of Transition Finance, NatWest aims to evolve its approach to Transition Finance in line with industry developments such as developments of relevant standards and market practices. NatWest expects to review the Framework regularly, anticipating potential changes to its definitions, activities and eligibility criteria.

DNV Business Assurance Services UK Limited (“DNV”) has been commissioned by NatWest to provide an assessment of the Group’s Framework. Taking into consideration that the Framework has been informed by industry practice, which is still developing on an ongoing basis, and as referenced in the Transition Finance Market Report (TMFR)[2], our objective has been to provide an assessment of whether the Framework meets the criteria established within the following standards and guidelines:

- The International Capital Markets Association (ICMA)’s latest versions, at the time of publication, of the following principles:
  - Green Bond Principles (GBP).
  - Sustainability-Linked Bond Principles (SLBP).
  - Climate Transition Finance Handbook (CTFH).
- The Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA)’s latest versions, at the time of publication, of the following principles:
  - Green Loan Principles (GLP).
  - Sustainability-Linked Loan Principles (SLLP).

Our methodology to achieve this is described under ‘Work Undertaken’ below. DNV was not commissioned to provide independent assurance or other audit activities. DNV notes that NatWest’s Framework includes non-labelled activities (section 3a of the Framework) and counterparty financing for GCP (section 3c of the Framework) and are therefore assessed independently within this opinion according to their applicability.

No assurance is provided regarding the financial performance of bonds or loans issued under the Group’s Framework, the value of any investments, or the long-term environmental and/or societal benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

[2] City of London 2024 Transition Finance Market Report (link)

Responsibilities of the Management of NatWest and DNV

The management of NatWest has provided the information, documents and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform interested stakeholders in the Framework, as to whether the established criteria have been met based on the information provided to us.

In our work, we have relied on the information and the facts presented to us by NatWest. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided and used as a basis for this assessment, were not correct or complete.

Basis of DNV's opinion

We have adapted our typical Framework assessment protocol to take into consideration the requirements of the ICMA GBP, SLBP, CTFH and the LMA GLP and SLLP to create a NatWest-specific Climate and Transition Financing Framework Protocol (henceforth referred to as "Protocol") - see Schedules 3 and 4. Whilst our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion, the scope and objectives of the Framework, as well as the diversity of financing categories included does have limitations in terms of applicability and relevance, see further details below.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles as outlined below:

- **Principle One: Use of Proceeds**. The Use of Proceeds criteria are guided by the requirement that a borrower of funding instruments under the Framework, must use the funds raised to finance activities defined as "Eligible" under the Framework. Eligible activities are outlined in Schedule 1 and 2 of this opinion, and also include activities aligned with categories listed by the ICMA GBP and LMA/APLMA/LSTA GLP. The Eligible activities should produce clear environmental benefits.
- **Principle Two**: **Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that a borrower under the Framework should outline the process it follows when determining the eligibility of an investment using proceeds from its Green and Transition transactions and outline any impact objectives it will consider.
- **Principle Three**: **Management of Proceeds**. The Management of Proceeds criteria are guided by the requirements that a funding instrument should be appropriately tracked, that separate portfolios should be created when necessary, and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting**. The Reporting criteria are guided by the recommendation that at least annual reporting to the lenders of the instrument should be made of the use of proceeds, and that quantitative and/or qualitative performance indicators should be used, where feasible.

We note that due to the diversity of the financing categories included in the Framework, the Principles applied above are not applicable for all categories, please see Table 1 below for our applicability assessment of the principles. We also note that all market labelled instruments are expected to follow the relevant International Standards such as the ICMA and LMA principles and be assessed at transaction level.

The Framework includes three categories of eligible financing instruments:

- Dedicated-purpose financing (section 3a in the Framework): where the net use of proceeds is used to (re-)finance Eligible Climate (henceforward referred to as "Green") or Transition activities as stated in this opinion in Schedule 1 and 2.
- Market-labelled transactions (Section 3b in the Framework): where finance instruments align with recognised International Standards, such as, but not limited to, ICMA and LMA/APLMA/LSTA;
- General corporate purpose (GCP) (Section 3c in the Framework) financing: where finance instruments are used for general purposes, on the premise that the counterparty meets specified criteria of eligibility, as determined by NatWest.

Table 1: Applicability Assessment.

Principle	Dedicated-purpose financing (Section 3a in the Framework)	Market-labelled transactions (Section 3b in the Framework)	General Corporate Purpose (Section 3c in the Framework)
Principle 1: Use of Proceeds	Yes[3]	Yes[4]	No[5]
Principle 2: Process for Project Evaluation and Selection	Yes[3]	Yes[4]	No[5]
Principle 3: Management of Proceeds	Yes[3]	Yes[4]	No
Principle 4: Reporting	Yes[3]	Yes	Yes[6]

Work undertaken

Our work constituted a high-level review of the available information provided in the framework based on the understanding that this information was provided to us by NatWest in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

- Creation of a NatWest-specific Protocol, adapted to the purpose of the Framework, as described above, and in Schedule 1 and 2 of this Assessment.
  - Schedule 3: addresses the eligibility criteria for Climate Finance through Green Use of Proceeds (UoP) instruments, as well as Green activity financing or Green Pure Players where relevant.

[3] DNV acknowledges that it is not standard market practice for unlabelled, dedicated-purpose transactions to fully align with the referenced Principles; however, these Principles are applied as a benchmark to assess the key risks related to transparency and misclassification.

[4] Not applicable for Sustainability-linked market-labelled transactions, which would follow different sets of principles. Such as the ICMA Sustainability-linked Bond Principles (SLBPs) or the LMA Sustainability-linked Loan Principles (SLLPs).

[5] References to Eligible activities and their evaluation and selection are partially applicable to counterparties, as their eligibility for Green, and to some extent, Transition financing is linked to the borrowers' involvement in Eligible activities. Consequently, DNV considers this category throughout its assessment of the Framework in relation to these principles.

[6] Only environmental performance reporting at entity level is considered applicable.

- Schedule 4: addresses the eligibility criteria for Transition Finance through Transition UoP instruments, as well as Transition activity financing or Transition Pure Players or Transition Eligible counterparties where relevant.

- Assessment of documentary evidence provided by NatWest on the Framework and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Assessment of peers, best practices and standards methodology.
- Discussions with NatWest's management, as well as a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria, as detailed in Schedule 3 and 4 of this document.

Our opinion as detailed below is a summary of these findings.

FINDINGS AND DNV'S OPINION

DNV's summary findings are listed below, with further detail found in Schedule 3 and 4:

1. **Principle One: Use of Proceeds.**

The Framework enables the classification of activities that contribute towards the Group's Climate and Transition Financing ("CTF") Target, under which NatWest aims to provide or facilitate £200 billion in Climate and Transition financing by 2030. This supports the Group's broader ambition to achieve net zero by 2050 across its financed emissions, assets under management, and operational value chain, while helping customers meet their own climate, sustainability, and transition goals.

Eligible instruments include a range of financial products such as debt capital markets transactions, corporate lending, trade finance, mortgages, structured financing, asset financing, and securitised products, see a full list in Schedule 3 of this opinion. These instruments are intended to finance projects or organisations engaged in Green or Transition activities. These activities are outlined in Schedule 1 and 2 of this opinion. "Eligible Green" instruments include those dedicated-purpose financing towards Eligible Green activities, which are those outlined in the Framework and Schedule 1, those aligned with relevant International Standards, as well as instruments for GCP where counterparties are considered Pure Players[7].

The Eligible activities listed in the Framework and Schedule 1, align with categories listed by the ICMA GBP and LMA/APLMA/LSTA GLP and are expected to likely deliver clear environmental benefits in line with NatWest's climate ambitions. For more detail, please refer to Schedule 3 of this opinion.

NatWest has defined Transition Finance as financing that supports the transition towards net-zero by 2050, with a focus on carbon-intensive and hard-to-abate sectors. Eligible activities are expected to reduce or remove greenhouse gas emissions and avoid long-term reliance on carbon-intensive assets.

Eligible Transition Finance instruments include dedicated purpose financing towards Eligible Transition Finance activities, which are those outlined in the Framework and Schedule 2, instruments aligned with International Standards such as the ICMA Climate Transition Finance Handbook (2023), sustainability-linked labelled

[7] Pure Player is defined as an entity which has 90% or more of their revenues derived from the Eligible Green activities outlined in Schedule 1; or 90% or more of their assets derived from the activities outlined in Schedule 1. Or in the case of a fund borrower, 90% or more of assets under management are invested in, or, as evidenced by the fund strategy (as stated in the fund's prospectus or analogous document), are expected to be invested in, activities outlined in Schedule 1 at the time of assessment.

instruments with climate, nature or Greenhouse gas (GHG) emission reduction metrics; or GCP financing for Eligible Transition Finance counterparties.

DNV notes that sustainability-linked labelled instruments with climate, nature or GHG emission reduction metrics, where no further borrower-assessment on their Transition plan is required, may not meet market standards for Transition Finance, such as those outlined in the ICMA CTFH and in the Framework's definition. Whilst these instruments are recognised to enable the transition and, in some cases, additional assessments at transaction level are performed, we recognise NatWest's responsibility to ultimately ensure the Transition Finance instruments issued under the Framework align with the Transition Finance definition, as outlined therein.

DNV also notes the Framework does not include obligations for borrowers under dedicated-purpose categories to assess or quantify the environmental impacts of their operations or their projects. Whilst this is not an expected market practice due to operational constraints, and environmental benefits are expected as part of the Eligible activities to be financed or facilitated (based on the curated list of Eligible activities in section 3a of the Framework[8]); the absence of such requirements may reduce transparency and contribute to overstatement of environmental benefits, particularly in Transition Finance transactions.

DNV concludes that the Framework provides a clear description of the financial instruments eligible for consideration under the Framework. Eligible Green activities are expected to deliver clear environmental benefits and Transition Finance Eligible activities are expected to support the financing of transition activities contributing to the decarbonisation of the broader economy, including hard to abate sectors. DNV notes a risk to transparency and accuracy of stated environmental benefits, as mentioned above, linked to the lack of Transition Finance borrower requirements for environmental assessment and quantification for dedicated-purpose instruments.

2. Process for Project Evaluation and Selection:

The Framework does not include explicit requirements for borrowers to disclose their investment decision-making process. However, NatWest has implemented its own internal process for evaluating and selecting transactions under the Framework. The Director of Climate and Nature is responsible for the development and oversight of NatWest's Framework and eligibility criteria towards the Target.

Transaction eligibility is determined during transaction origination, with reviews by subject matter experts and, on a sample basis, by the Climate Centre of Excellence. In cases where a transaction is deemed to be borderline it is to be escalated to a forum comprising representatives from the Climate Centre of Excellence, finance and risk functions, where a decision is reached on eligibility. The governance process is supported at a higher level by the Group's wider environmental and due diligence policies, such as the Environmental, Social & Ethical (ESE) Risk Acceptance Criteria, which define counterparty sectors requiring enhanced due diligence and sets out restricted and prohibited activities.

The evaluation and selection of eligible GCP counterparties for Transition Finance requires additional assessment, compared to green counterparties, due to the more nuanced nature of hard-to-abate sectors NatWest assesses GCP financing eligibility through an internal assessment of each counterparty, which is to be specifically tailored. Initial screening criteria include:

[8] Eligible Green activities under the Framework outlined in Schedule 1 are expected to contribute to the objectives of the Paris Agreement, whilst Transition Finance activities in Schedule 2 refer to net zero scenarios such as the International Energy Agency (IEA) Net Zero Emissions and the UK Climate Change Committee's Balanced Net Zero Pathway.

- whether the borrower (other than a fund) has 90% or more of revenue and/or capital expenditure and/or research & development, derived from, or dedicated to, activities outlined in Schedule 2; or
- whether the borrower has committed to emissions reduction targets in line with the Science Based Targets Initiative or equivalent; or
- whether the borrower has a transition plan to reach net zero by 2050; or
- the borrower's CDP (formerly known as the 'Carbon Disclosure Project') score or Transition Pathway Initiative score; or

In the case of a fund counterparty, whether:

- the borrower has 90% or more of its portfolio of assets under management invested in, or, as evidenced by the fund strategy (as stated in the fund's prospectus or analogous document), are expected to be invested in, activities outlined in Schedule 2 or a combination of the Transition Finance and Green Finance activities outlined in Schedule 1 and 2 at the time of assessment; or
- its portfolio of assets under management is being managed in line with the Net Zero Investment Framework (NZIF), Private Markets Decarbonisation Roadmap (PMDR)) or equivalent industry aligned transition methodologies.

Transactions identified as potentially eligible will then be subject to further internal assessment. This assessment will be dependent on factors including, but not limited to, company size, sector and jurisdiction. In time, NatWest will aim to integrate its proprietary Customer Transition Plan Assessment (CTPA) tool into the process, as market standards evolve.

DNV notes that under the Framework, classification of Eligible transactions is determined at inception and any declassification or changes to the qualifying eligibility of a transaction during that transaction's lifecycle (post submission towards the CTF target) will not result in its removal from, or adjustments and reduction in, the ongoing progress towards the CTF target. NatWest confirms that any declassification of individual transactions, in accordance with contractual terms, may limit future marketing or labelling of the affected transaction but such declassification will not lead to that transaction's removal from or adjustments and reduction in, the ongoing progress towards the CTF target. Changes to the qualifying eligibility of a customer could influence NatWest's assessment of the borrower's eligibility for future inclusion under the Framework. Whilst recognising the operational complexity linked to removal of transactions from the ongoing progress towards the CTF target within a financial accounting and reporting context, as well as the lack of market practice in this regard, DNV notes that this approach may lead to the risk of misclassification and over-reporting against the Group's CTF target, particularly for Transition Finance, as market practices evolve and the volume of Eligible proceeds grows.

DNV concludes that NatWest has implemented a comprehensive governance process for its internal evaluation and selection of Eligible projects under the Framework, aimed at mitigating the key risks of misclassification. While the oversight for Eligible transactions is considered robust, DNV recognises there are risks linked to not removing transactions from, or making adjustments or reductions in, the ongoing progress towards the CTF Target due to declassification or changes to the qualifying eligibility of a transaction, especially for Transition financing, where misclassification of transactions could lead to an inaccurate reporting of progress towards the CTF target. DNV does recognise this can be a real challenge and that NatWest has implemented several safeguards aimed at identifying issues at inception. This highlights NatWest's responsibility in meeting the climate objectives and principles of Transition Finance as outlined in the Framework.

3. Management of Proceeds:

NatWest is not the direct borrower of funds but rather the facilitator or lender of these, as such there is no market expectation for the Group to establish its own procedures for the management of proceeds. Instead, NatWest may implement measures and requirements for borrowers operating under the Framework to have appropriate mechanisms for the tracking and management of proceeds in place.

DNV recognises that the relevance of the “Management of Proceeds” principles differs across the three finance instrument categories listed in the Framework.

- Dedicated-purpose financing: whilst not tied to any International Standard or particular guidelines, an appropriate management and tracking of proceeds may be useful to ensure proceeds are allocated to the designated Eligible Green or Transition activity.
- Market-labelled transaction: labelled transactions aligned with International Standards such as the ICMA GBP, CTFH and the LMA GLP will require alignment with principle 3 ‘Management of Proceeds’. These transactions are anticipated to maintain formal internal processes, and adherence to applicable treasury policies to ensure the accurate tracking of both allocated and temporarily unallocated proceeds. DNV notes that in the case of sustainability-linked transactions this Principle is not applicable.
- GCP financing: DNV recognises the “management of proceeds” principle bears little relevance to GCP financing which are not tied to a specific purpose or activity.

DNV notes that the Framework does not outline any specific borrower requirements for the management or tracking of the proceeds. This is addressed through alignment with International Standards with market-labelled transactions, bears low to no risk with GCP, and within dedicated purpose financing risks of misallocation at inception are typically mitigated in the transaction documentation. However, we note a potential risk of inadequate tracking of unallocated proceeds on an ongoing basis for dedicated purpose financing specifically.

DNV concludes that NatWest bears responsibility to ensure that appropriate use of the proceeds is conducted for all use of proceeds finance instruments. The Framework only provides a broad structure for setting the Eligibility of finance instruments and does not detail borrower requirements for the management of proceeds for non-market labelled dedicated purpose financing transactions.

4. Reporting:

NatWest commits to publish annual disclosures on total proceeds allocated to Eligible activities and is intended to reflect progress toward its CTF target. These disclosures are incorporated into the Group’s public annual disclosures and include the aggregate amount of financing aligned with the Framework.

DNV notes that market-labelled transactions aligned with the ICMA GBP, SLBP or CTFH and LMA/APLMA/LSTA GLP and SLLP hold reporting requirements. Required disclosures include, in the case of Use of Proceeds transactions, allocation of financing and refinancing split, amounts disbursed and unallocated proceeds, a list of financed projects, project descriptions - subject to confidentiality, and environmental impact where measurable. In the case of sustainability-linked transactions these include annual reporting and third-party verification on the progress on set Sustainability Performance Targets (SPTs).

Under the Framework, borrowers of dedicated-purpose financing are not required to report on allocation of proceeds or environmental impact, and GCP borrowers also do not face any entity level environmental reporting requirements. Whilst DNV recognises operational and administrative constraints in acquiring such data from borrowers, and related resource constraints, we note that this may lead to reduced transparency and may restrict stakeholders' ability to evaluate progress toward climate and transition financing objectives.

DNV concludes that while the Framework supports high-level transparency on the overall allocation of proceeds and that this is common market practice, especially for dedicated-purpose and GCP financing, it may not fully enable the assessment of financing effectiveness at a project or counterparty level.

for DNV Business Assurance Services UK Limited

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24th July 2025

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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 15,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF GREEN ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

NatWest Eligible Green project categories[9] are split across 9 key sectors, DNV mapped each sector and underlying activities against the relevant ICMA/ LMA/ APLMA/ LSTA project categories. The Group has also outlined a set of exclusions for each category which serves as a safeguard against inappropriate assets.

Eligible Green Project Categories:

ICMA/ LMA/ APLMA/ LSTA Project Category	Sector	Description of Projects to be Financed
Green Buildings	Built Environment	Buildings: • Development of new or retrofit of existing buildings to improve overall building stock. These buildings must possess specific recognised environmental certifications: a. For new property: that which are being developed as UK domestic property with an average project rating of EPC B (SAP 86+), or that which are existing built stock and scores B or greater according to its UK domestic (or UK non-domestic) Energy Performance Certificate or; that which is rated at least “Very Good” according to BREEAM, or that which is rated at least BRE Home Quality Mark 4*, or that which is rated at least “Gold” according to LEED , or that which is rated 5 according to NABERS, or any other comparable certification where available. b. Renovation of existing buildings which meet the following criteria: Energy savings of at least 30% in comparison to the baseline performance of the building before the renovation, measured in kWh/m2 per year. • Financing of specific assets, for residential, commercial, and public buildings retrofit projects, including but not limited to onsite renewable energy generation (e.g. solar and wind), insulation of walls and roofs and heat loss reduction, LED lighting, implementation of energy management systems, refurbishment or replacement of cooling/ heating systems (including installation of heat pump systems), as well as ventilation and air conditioning systems with low-carbon alternatives.

[9] NatWest Eligible Green Project categories are intended to define, with a non-exhaustive list, criteria of eligibility for non-market labelled dedicated purpose financing activities (i.e. transactions under section 3a of the Framework) and for determining eligibility of GCP (4c) where the qualifying criteria rely on eligible activities.

ICMA/ LMA/ APLMA/ LSTA Project Category	Sector	Description of Projects to be Financed
		Financing of new and existing residential buildings, which score A or B according to their Energy Performance Certificate ("EPC"), or equivalent Standard Assessment Procedure (SAP) score including, but not limited to, green purchase and green re-mortgage products (or comparable certification where available). • Other Activities: Activities that maximise environmental net gains by promoting biodiversity and nature-based solutions in the built environment, including but not limited to habitat creation, habitat restoration and green-infrastructure projects. • New and enhancement of existing district heating or cooling generation through low-carbon solutions, such as electrification and renewables, including distribution networks improvement. • Use of sustainable building materials including, but not limited to wood/timber in construction, including associated value chain activities, e.g. transportation and storage. • Electrified technologies or assets used in support of the built environment.
Energy Efficiency **&** **Circular Economy Adapted Products, Production Technologies and Processes** **&** **Pollution Prevention and Control Projects**	Industrial Processes for Cement, Iron & Steel, Aluminium and Chemicals	• Electric arc furnaces with recycled steel scrap. • Green hydrogen direct reduced iron technology in steelmaking. • Green hydrogen in processes such as iron ore production via induration. • Green hydrogen in the production of cement and synthetic fuels such as ammonia, including infrastructural projects. • Iron ore electrolysis processes in steelmaking. <u>Excludes:</u> • Unabated fossil fuel powered plants for industrial processes. • Grey hydrogen usage for industrial processes.

ICMA/ LMA/ APLMA/ LSTA Project Category	Sector	Description of Projects to be Financed
Clean Transportation	Transport	• Sustainable low carbon transportation including but not limited to electric cars, electric buses, micro-mobility (including e-cargo), electric trucks, electric trains, electric shipping, electric inland freight water transportation etc. • Development, operation and upgrade of low carbon transportation infrastructure including but not limited to electric vehicles charging infrastructure. • Transportation infrastructure manufacturers of components above. • Activities or infrastructure that promote "non-motorised" or "active" mobility modes, for example urban planning and development that leads to a reduction in the use of passenger cars including, but not limited to, creating walking communities, shared bike schemes, improving transit connectivity, facilitating multiple land-use or developing car-free city areas. Excludes: logistics and transport services related to fossil fuel activities.
Environmentally Sustainable Management of Living Natural Resources and Land Use **&** **Sustainable Water and Wastewater Management**	Agriculture	• Sustainable waste management practices including but not limited to: organic fertiliser, composting, precision and low emission application of organic manures (e.g. slurry dribble bars, soil injection). • Sustainable water management systems including but not limited to: precision irrigation technologies (e.g., drip water), water recycling systems, rainwater collection systems, constructing water reservoirs. • Electrification of agricultural equipment and sustainable fuel use such as electrification or energy generation such as solar and wind. • Assets and practices supporting the application of sustainable fertiliser and pesticides including, but not limited to, precision fertiliser / pesticide application technologies and crop sensors. • Sustainable and/or regenerative farming practices including but not limited to: paddock grazing systems, introduction of livestock into arable rotations, temporary and permanent fencing, drinking water systems, rotational farming, growing of crops that fix nitrates in soil (e.g., clover), companion cropping, crop and livestock sensors, minimum tillage cultivations

ICMA/ LMA/ APLMA/ LSTA Project Category	Sector	Description of Projects to be Financed
		and sowing, direct drilling, vertical farms or greenhouses with sustainable practices with regards to energy, air and carbon management, water use, hydroponics or aeroponics. • Sustainable fishing practices including but not limited to aquaculture and fish farms that use innovative technologies/ approaches, such as, but not limited to, fallow year practice, conservation of critical or sensitive habitat, maintenance of wildlife corridors or buffers and water quality enhancement projects. • Sustainable landscape management and agro-forestry including but not limited to hedgerow and tree planting. • Bioenergy crops on marginal land. • Sustainable biochar production and application. Excludes: livestock emission reduction by converting to intensive systems.
Pollution Prevention and Control Projects	Low Carbon Technology, Fuels and Offsetting Technology	• Low carbon energy sources including but not limited to alternative low carbon fuels such as green hydrogen. • Decarbonisation technologies such as bio-energy carbon capture and storage (BECCS) including associated value chain activities, e.g. R&D, infrastructure and transportation. • Direct air carbon capture and storage technologies (DACCS) including associated value chain technologies, e.g. R&D, infrastructure and transportation. Excludes: • Unabated hydrogen production from natural gas (e.g. grey hydrogen). • CCS paired with any coal or oil related activity, asset etc.
Renewable Energy &	Power and Utilities	• Generation of energy from renewable sources including but not limited to wind, solar, bioenergy (including with CCS), geothermal, hydroelectric, wave & tidal and green hydrogen.

ICMA/ LMA/ APLMA/ LSTA Project Category	Sector	Description of Projects to be Financed
Energy Efficiency		• Manufacture of components of renewable energy technology including but not limited to: equipment for renewable energy generation and storage, wind turbines, solar panels, photovoltaic energy projects and battery storage. • Manufacture, sale and lease of battery and storage systems, battery and storage infrastructure, solutions for energy, transport and other relevant sectors, including gigafactories, R&D and project/new technology demonstration. • Transmission grid infrastructural development and improvement projects including but not limited to new technology integration, such as AI/Cloud, and systems' infrastructural upgrades to optimise grid performance, retrofit of transmission lines, cables, storage units, interconnectors, distribution systems or substations to reduce energy loss/consumption, and investments to improve grid capacity and efficiency. Excludes: • Grey hydrogen power generation. • Coal for power generation. • Oil for power generation.
[Enabling activity]	Critical Minerals	• Sourcing, processing and recycling of critical minerals[10] for use in low carbon technologies including, but not limited to, electric vehicle battery, wind turbine and solar panel manufacture. Excludes: • Mining, sourcing or processing of critical minerals for purposes other than use in low carbon technologies including, but not limited to manufacture of consumer electronics, jewellery and weaponry.

[10] Critical minerals include, but are not limited to, lithium, graphite, cobalt, nickel, manganese, copper, palladium, platinum and rare earth metals such as neodymium (Energy transition Commission, 2013).

ICMA/ LMA/ APLMA/ LSTA Project Category	Sector	Description of Projects to be Financed
Pollution Prevention and Control & Environmentally Sustainable Management of Living Natural Resources and Land Use & Terrestrial and Aquatic Biodiversity Conservation Projects & Climate Change Adaptation Projects	Environmental Impacts	• Air, soil, and water pollution control. • Creation, protection, management, and restoration of biodiversity, habitat, and ecosystems by taking mitigation and compensation measures. Including, but not limited to, soil, peatland, saltmarsh and pasture remediation, agriculture (crop and livestock production), rewilding, forestry (afforestation and reforestation), renewable energy generation, water (supply and waste) and non-fossil fuel transport. • Climate change adaptation and mitigation solutions and initiatives; including, but not limited to sustainable coastal zone management and, flood defence and early warning systems, water resource management, extreme weather management, natural resource management and agrobiodiversity, hydroculture.
Sustainable Water and Wastewater Management & Eco-efficient and/or Circular Economy Adapted Products	Water and Waste Management	• Water collection saving, treatment, recycling, re-use, upgrades, technologies, and related infrastructure: including, but not limited to, anaerobic digestion of sewage, sludge, and bio-waste. This excludes wastewater treatment for fossil fuel activities such as, but not limited to, exploration, extraction and production. • Activities that improve water and soil quality and increase water use efficiency: including but not limited to water treatment facilities and water metering. • Non-conventional waste management, disposal, and circular economy activities: including, but not limited to, source reduction, in-process recycling, reuse, sorting projects, resource recovery and treatment.

SCHEDULE 2: DESCRIPTION OF TRANSITION ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

NatWest Eligible Transition project categories are split across 8 key sectors, DNV mapped each sector and underlying activities against the relevant ICMA/ LMA/ APLMA/ LSTA project categories. The Group has also outlined a set of exclusions for each category which serves as a safeguard against inappropriate assets.

Eligible Transition Project Categories:

Equivalent ICMA/LMA category	Sector	Description of Projects to be Financed
Green Buildings	Built Environment	Buildings: • Retrofit of existing residential, commercial and public buildings, where the energy savings threshold outlined in Schedule 1[11] is not met, to either a. Reach a minimum EPC score 'C', or equivalent SAP score b. or the highest EPC permissible (<C) where exemption applicable can be demonstrated. Construction and materials: • Non-road mobile construction machinery powered by fuels derived from sustainable renewable feedstock (as outlined in the 'Low carbon technology/ fuels and offsetting technology' category). Energy efficiency: • Development, manufacture, installation, maintenance and/or repair of energy efficiency technologies, products and systems which support enhanced energy efficiency in the built environment including but not limited to energy efficient appliances, smart meters and lighting.

[11] For new property: that which are being developed as UK domestic property with an average project rating of EPC B (SAP 86+), or that which are existing built stock and scores B or greater according to its UK domestic (or UK non-domestic) Energy Performance Certificate or; that which is rated at least "Very Good" according to BREEAM, or that which is rated at least BRE Home Quality Mark 4*, or that which is rated at least "Gold" according to LEED , or that which is at least rated 5 according to NABERS, or any other comparable certification where available.
For renovation of existing buildings which meet the following criteria: Energy savings of at least 30% in comparison to the baseline performance of the building before the renovation, measured in kWh/m2 per year.

Equivalent ICMA/LMA category	Sector	Description of Projects to be Financed
Pollution Prevention and Control Projects	Industrial Processes for Cement, Iron & Steel, Aluminium and Chemicals	• Cement and concrete production decarbonisation including, but not limited to, clinker substitution by blending of alternative materials such as carbon-negative/manufactured limestone, use of recycled materials, electrification of cement kiln (with CCS), or switch from coal to gas (with CCS) /waste (with CCS)/ biomass/green or blue hydrogen. • CCS for industrial processes including, but not limited to, cement, concrete, steel, aluminium and chemical production processes. This includes associated research and development (R&D) and value chain activities, e.g. transportation and storage. • Direct reduced iron technology (with CCS) in steelmaking. • Blue hydrogen direct reduced iron technology in steelmaking • Blue hydrogen in processes such as iron ore production via induration. • Use of blue hydrogen in the production of synthetic fuels such as ammonia, including infrastructural projects. • Electrification of steam cracker for chemical production. • Non-road mobile machinery powered by fuels derived from sustainable renewable feedstock. • Development, manufacture, distribution, installation, maintenance of products or services that increase the energy efficiency of industrial processes. Excludes: • Unabated fossil fuel powered plants for industrial processes. • Grey hydrogen usage for industrial processes.
Clean Transportation	Transport	Land transport:

Equivalent ICMA/LMA category	Sector	Description of Projects to be Financed
		• Heavy duty land transport fleet upgrade to enable alternative fuel usage, such as biofuels, synthetic e-fuels and hydrogen. • Lower carbon land transportation such as plug-in hybrid, e-fuels cars and LGVs where tailpipe emissions are <50g CO_2/p-Km. • Sustainable transportation methods, systems and providers which contribute to reducing the circulation of vehicles, including, but not limited to public transport fleets such as buses and trains. Aviation • Sustainable low carbon air transport including infrastructural projects of airports and fleet upgrade to enable transition to sustainable aviation/ alternative fuel usage such as biofuels, carbon neutral synthetic fuels and hybrid electric. Shipping: • Fleet upgrade and retrofit to enable alternative low carbon fuel usage, such as hydrogen, ammonia from hydrogen, renewable-methanol and biofuels (as outlined in the "Low Carbon Technology, Fuels and Offsetting Technology" sector). This includes infrastructural projects for ports. • Use of new tankers or retrofit of existing tankers for CO_2 transport. Excludes: logistics and transport services related to fossil fuel activities.
Environmentally Sustainable Management of Living Natural Resources and Land Use	Agriculture	• Sustainable waste management practices including but not limited to: slurry store covers, anaerobic digesters, construct sprayer wash bay and dirty water treatment systems, waste re-use (e.g. aviation fuel). • Sustainable fuel use and generation such as biofuels and hydrogen (except when produced from unabated fossils fuels). • Hybrid agricultural machinery.

Equivalent ICMA/LMA category	Sector	Description of Projects to be Financed
		• Agricultural machinery upgrades to enable alternative fuel usage such as biofuels or hydrogen (excluding where produced from unabated fossil fuels). • Methane reduction processes and technologies associated with livestock farming, i.e. diet supplements, selective breeding etc. Excludes: livestock emission reduction by converting to intensive systems.
Pollution Prevention and Control Projects	Low Carbon Technology, Fuels and Offsetting Technology	• Blue or pink hydrogen-based ammonia production including hydrogen production and distribution infrastructure. • New or retrofit of existing infrastructure dedicated to blue hydrogen production, transportation and storage, including CCS retrofit. • Low carbon energy sources such as biofuels production. • Sustainable airline fuels including but not limited to: e-synthetic fuels and bio-fuels, including bio-jet kerosene. • Sustainable shipping fuels including but not limited to: blue or pink hydrogen, sustainable-methanol, biofuels and ammonia. • Biogas and biomethane production including associated value chain activities. Excludes: • Unabated hydrogen production from natural gas (e.g. grey hydrogen). • CCS paired with any coal or oil related activity, asset etc.
N/a	Power and Utilities	• Blue or pink hydrogen power generation. • Gas power generation with CCS including transportation and storage infrastructure.

Equivalent ICMA/LMA category	Sector	Description of Projects to be Financed
		• Nuclear power generation, including R&D of nuclear processes. Its scope may extend to Advanced Modular Reactors and Small Modular Reactors. • Energy from waste with CCS. • Development, manufacture and/or installation of energy efficiency technologies, products and systems including but not limited to, smart grid technologies, distributed generation, peak demand management. Excludes: • Grey hydrogen power generation. • Coal for power generation. • Oil for power generation.
N/a	Critical Minerals	• Mining of critical minerals[12] for use in the manufacture of low carbon technologies including, but not limited to, electric vehicle batteries, wind turbines and solar panels. Excludes: • Mining, sourcing or processing of critical minerals for purposes other than use in low carbon technologies including, but not limited to: manufacture of consumer electronics, jewellery and weaponry.
N/a	Information Technology	• Activities that facilitate and develop data-driven sustainable climate and environmental solutions that reduce GHG emissions. • Activities that facilitate and develop energy efficient data centres, data processing, hosting and related activities.

[12] Critical minerals include, but are not limited to, lithium, graphite, cobalt, nickel, manganese, copper, palladium, platinum and rare earth metals such as neodymium (Energy transition Commission, 2013).

SCHEDULE 3: NATWEST CLIMATE FINANCE FRAMEWORK ASSESSMENT PROTOCOL – GREEN USE OF PROCEEDS PRODUCTS AND GENERAL CORPORATE PURPOSE

1. Use of Proceeds

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	The Framework should make clear what financial instruments are to be defined as eligible for Climate financing.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	NatWest confirms that the net proceeds from investments dedicated to Eligible Green activities, or organisations primarily engaged with these activities, will be considered under the Framework and counted towards its Climate and Transition Financing (CTF) target. The following services and products are listed in the Framework and considered eligible: ▪ Debt Capital Markets Underwriting; ▪ Corporate Lending; ▪ Trade Financing; ▪ Mortgages; ▪ Loan Underwriting; ▪ Bond Underwriting; ▪ Private Placements; ▪ Repurchase Agreement; ▪ Structured Financing; ▪ Asset Financing; ▪ Securitised Products; ▪ Project Financing. Excluded products and services, which are not eligible under the Framework are: ▪ Derivatives Products; ▪ Assets Under Management; ▪ Sustainable Liabilities Products; ▪ Carbon Transactions; ▪ Mergers And Acquisitions Advisory; ▪ Equity Capital Markets. Borrowers may issue the following Green Financial Instrument categories:

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					1. Dedicated-purpose financing whereby the proceeds will be exclusively used to finance, in part or in full, Eligible projects as outlined in Schedule 1. 2. Market Labelled transactions in line with International Standards, including but not limited to, the ICMA GBP and the LMA/LSTA/APLMA GLP, used to finance, in part or in full, Eligible projects as defined per individual transaction assessments. 3. General corporate purpose (GCP) financing, whereby the proceeds will be used to finance corporate expenses of Eligible counterparties. The eligibility of such organisations will be assessed by NatWest Group on a case-by-case basis, based on the following criteria: • 90% or more of their revenues are derived from the activities outlined in Schedule 1. • 90% or more of their assets are derived from the activities outlined in Schedule 1. Where the borrower is a fund: • 90% or more of assets under management are invested in, or, as evidenced by the fund strategy (as stated in the fund's prospectus or analogous document), are expected to invest in, activities outlined in Schedule 1 at the time of assessment. Green Finance Instruments with a dedicated-purpose and market labelled transactions in line with International Standards will be used to exclusively finance or (re-)finance Eligible Green projects. Where GCP financing occurs, the Eligible counterparties will be considered Pure Play according to the criteria outlined above. DNV confirms that NatWest adequately describes the type of financial instruments eligible under the Framework.
1b	Green Project Categories	NatWest governance: ☒Yes ☐No	The cornerstone of a Green Finance Instrument is the utilisation of the	In addition to reviewing the evidence below, we have had	NatWest intends to use the Framework across its product portfolio to enable a positive environmental impact, which is in line with its wider corporate sustainability ambitions, risk management and Treasury policies.

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
		Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	proceeds which should be appropriately described in the legal documentation for the security.	discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	Eligible Green project activities and their respective eligibility criteria are listed in Schedule 1 of this opinion. Eligible Green categories align with the following Categories as listed in the ICMA GBP and LMA/LSTA/ APLMA GLP: ▪ Renewable Energy; ▪ Energy Efficiency; ▪ Pollution Prevention and Control Projects; ▪ Environmentally Sustainable Management of Living; ▪ Natural Resources and Land Use; ▪ Terrestrial and Aquatic Biodiversity Conservation Projects; ▪ Clean Transportation; ▪ Sustainable Water and Wastewater Management; ▪ Climate Change Adaptation Projects; ▪ Eco-efficient and/ or Circular Economy Adapted; ▪ Products, Production Technologies and Processes. DNV confirms that the Eligible Green categories as stated in the Framework and in Schedule 1 of this opinion, are appropriately described and consistent with the project categories as described in the ICMA GBP and the LMA/LSTA/APLMA GLP.
1c	Environmental Benefits	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	All designated Green project categories should provide clear environmentally sustainable benefits, which will be assessed by the issuer and, where feasible, quantified.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025). ▪ NatWest Group plc 2024 Sustainability Report (link).	NatWest recognises the importance of supporting the real economy alignment and transition towards net zero, in line with the 2015 Paris Agreement. The Group set a target to be net zero by 2050 across its financed emissions, assets under management and operational value chain; helping its customers to achieve their climate, sustainability and/or transition ambitions. In support of this target, NatWest aims to provide or facilitate £x200 billion for Climate and Transition financing between 2030 ("CTF Target"). The Framework enables the classification of activities that will be counted towards the achievement of this target. DNV confirms that Eligible Green project categories as detailed in Schedule 1 will provide clear environmental benefits (noting two activities with heightened risks below), in line with the Eligible Green categories listed in the ICMA GBP and the LMA/LSTA/APLMA GLP and in section 1b.

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					DNV notes that the following Eligible Green categories feature activities with heightened environmental trade-offs: • Power and Utilities: bioenergy (including with CCS). • Agriculture: Sustainable fertiliser and pesticides including, but not limited to, precision fertiliser / pesticide application technologies and crop sensors. DNV recognises that market labelled transactions aligned with International Standards such as the ICMA GBP and LMA GLP will require borrowers to assess impact, and where feasible, quantify it. The Framework does not outline any obligations for borrowers of dedicated-purpose financing to assess environmental impact. DNV notes that, whilst this omission is common market practice for unlabelled transactions, and it avoids penalising borrowers with resource constraints, it may result in a lack of transparency and hinder the ability to track the actual environmental outcomes of financed activities. Consequently, this could lead to potential overstatements of environmental impact attributed to such financing. However, DNV recognises that this risk is well mitigated by the nature of Eligible Green activities, which are expected to deliver environmental benefits de facto. DNV concludes that the Framework adequately describes Eligible Green categories, and that these are likely to deliver clear environmental benefits. DNV notes that the Framework features risks linked to two of its activities.

2. Process for Project Evaluation and Selection

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	The issuer of a Green Financing Instrument(s) should outline the decision-making process it follows to determine the eligibility of projects using Green Financing Instruments proceeds. This includes, without limitation: ▪ A process to determine how the projects fit within the Eligible Green project categories identified in the principles. ▪ A process to identify and manage social and environmental risks linked to Eligible projects. ▪ The criteria making the projects Eligible for using the proceeds; and the environmental objectives.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025). ▪ NatWest Group Environmental, Social & Ethical (ESE) and Reputational Risk Management (Link).	DNV recognises that labelled transactions aligned with International Standards such as the ICMA GBP and the LMA GLP will align with principle 2 “Process for Project Evaluation and Selection”. These will require the borrower to outline the process it follows when determining the eligibility of an investment using Green Finance Instrument proceeds. DNV notes that the Framework does not outline specific requirements for borrowers of dedicated-purpose and GCP financing to outline their investment decision making process. We note this comes with some risk for dedicated purpose financing counterparties to not have proper processes in place to evaluate and select Eligible projects. DNV recognises that this risk is mitigated by NatWest’s own process for evaluation and selection as described below. NatWest has put in place its own process for evaluating and selecting projects and borrowers. The Director of Climate and Nature is responsible for the development and oversight of the framework and its periodic reviews, reporting directly to the Group Director, Strategy, Economics and Corporate Development. The business’ execution of the Framework and its proper adherence is a responsibility of the business, the Climate Centre of Excellence (CCOE) and the reporting functions. Under the Framework, eligibility assessments for financing are conducted in the following cases: • in the case of bond underwriting and private placements, as at the date that the transaction is closed[13]; • in the case of repurchase transactions, as at the date that the transaction is closed[14]; • in the case of securitised products: ○ for securitisation bond underwriting and private placements and for securitisation bond purchases, as at the date that the transaction is closed[15]; and

13 ‘Close’ in the context of bond underwriting and private placements is taken to be at the point of pricing.
14 ‘Close’ in the context of repurchase transactions refers to the date on which the transaction confirmation is executed.
15 ‘Close’ in the context of securitisation bond underwriting, private placements and bond purchase is taken to be at the point of pricing.

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					◦ for securitisation financing in private warehousing format, as at the point of commitment[16]; and • in the case of loan underwriting and lending, as at the date that the transaction is closed[17]. Origination teams are responsible for identifying and assessing transactions against the eligibility requirements set out in the Framework. To avoid double counting, NatWest confirms that activities qualifying under multiple Eligible categories will be reported only once. Eligible transactions are further reviewed by subject matter experts at quarter-end to confirm eligibility and inclusion toward the CTF target. Thereafter the Climate Centre of Excellence will perform additional sample checks. Cases which require further consideration, which include borderline cases[18], are reviewed quarterly in a forum which includes representatives from the Climate Centre of Excellence, Finance and Risk teams. The Framework and the eligibility requirements therein are to be used alongside the Group's wider policies and procedures related to wider Environmental, Social & Ethical and Reputational Risk Management procedures. This is covered in 2b below. NatWest expects the Framework to undergo updates regularly when considered necessary in NatWest's opinion triggers may include external developments in existing standards and taxonomies. Reviews will also be overseen by senior representatives from Finance, Legal, Risk and expert teams from within NatWest. DNV is of the opinion that an improvement could be made, which is the notion of classification at inception. Under the Framework the principles of classification at inception will apply, such that any declassification or changes to the qualifying eligibility of transactions during their lifecycle will not result in its removal from, or adjustments and reduction in, the ongoing progress towards the CTF target. Declassification of individual transactions pursuant to their contractual terms may lead to restriction of future marketing or labelling of that specific transaction but such declassification will not lead to the transaction's removal from, or

16 'Commitment' refers to when the limit has been approved, offered to and accepted by the customer.
17 'Close' in the context of loan underwriting and lending is taken to be at the point the relevant facility agreement is executed.
18 Borderline cases are those companies or projects over which there is some doubt over their eligibility.

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					adjustment and reduction in, the ongoing progress towards the CTF target. Changes to the qualifying eligibility of a customer may lead NatWest to reconsider if any new deals from the borrower may qualify for the CTF target in the future. Since DNV recognise the complexity linked to restatements concerning financial accounting and reporting, which do normally not allow for this, as well as the fact that it is not common market practice; it is our opinion that the risk of over-reporting the Eligible activities financed is low and mitigated by the selection of adequate Eligible Green activities. DNV concludes that NatWest has a clear and robust management and decision-making structure in place to select and evaluate the Eligible Green projects it will finance under the Framework. Mitigating risks linked to borrowers' process for determining the eligibility of projects. NatWest's Framework includes appropriate safeguards against mislabelling or misidentifying outcomes including a comprehensive counterparty due diligence process, exclusions criteria and thorough internal reporting of activities.
2b	Company's environmental governance framework	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	In addition to the information disclosed by a borrower on its debt process, criteria and assurances, investors may also take into consideration the quality of the issuer's overall framework and performance regarding sustainability.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025). ▪ NatWest Group Environmental, Social & Ethical (ESE) and Reputational Risk Management (Link).	DNV notes that the Framework also operates alongside the Group's wider policies and procedures, including the Environmental, Social and Ethical Risk Acceptance Criteria (ESE RAC). The ESE RAC applies to 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) NatWest have 9 sectors/ topics that present heightened ESE risk. Customers or trade transactions that fall within a sector RAC, or any other customer where associated ESE risk concerns have been identified, are subject to enhanced due diligence. NatWest has its own comprehensive risk management processes, outlining roles, responsibilities, processes, guidance and document checklists to be completed when onboarding clients. This procedure has the capability to mitigate some level of ESG-related risk. Whilst the evidence reviewed gives DNV the opinion that NatWest has appropriate measures in place to assess material ESG risks associated with the borrowers, we note an opportunity for the strengthening of the Framework, in the case of non-market labelled instruments, by

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
				▪ NatWest Group plc 2024 Sustainability Report (link).	introducing a process to consider borrowers' wider sustainability and climate performance.

3. Management of Proceeds

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	NatWest governance: ☐Yes ☒No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	The net proceeds of Green Financing Instruments issuances should be credited to a sub-account, moved to a sub- portfolio, or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Eligible Green projects.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	As NatWest is not the borrower, there is no current market expectation for the Group to establish its own procedures for the storage of funds. Instead, it is anticipated that NatWest ensures that any borrowers operating under the Framework implement appropriate mechanisms to manage proceeds in accordance with market standards. DNV recognises that tracking of proceeds bears little risk to GCP financing which are not tied to a specific purpose; and that labelled transactions aligned with International Standards such as the ICMA GBP and the LMA GLP will align with principle 3 'Management of Proceeds'. These transactions are anticipated to maintain formal internal processes, and adherence to applicable treasury policies to ensure the accurate tracking of both allocated and temporarily unallocated proceeds. DNV notes that the Framework does not outline specific requirements for the tracking of proceeds for borrowers of dedicated-purpose financing. Whilst financing documentation will typically outline the use of proceeds, the absence of clear guidance in this area introduces potential risks, such as a lack of transparency regarding the ongoing allocation of proceeds to Eligible Green projects, the mismanagement of temporarily unallocated funds and errors in tracking. DNV concludes that the Framework addresses the tracking of the proceeds adequately for its market labelled transactions aligned with International Standards; and that the management and tracking of proceeds bears low risk for GCP transactions. DNV highlights that there
3b	Tracking procedure	NatWest governance: ☐Yes ☒No Borrower requirements for the following	So long as the Green Financing Instruments are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching Eligible Green investments or loan	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition	

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
		Framework sections: ☒3a ☒3b ☐3c	disbursements made during that period.	Financing Framework (2025).	are some risks associated with appropriate tracking of proceeds and temporarily unallocated funds in the case of dedicated-purpose financing.
3c	Temporary holdings	NatWest governance: ☐Yes ☒No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	Pending such investments or disbursements to Eligible projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	

4. Reporting

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	NatWest governance: ☒Yes ☐No Borrower requirements for the following	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which debt proceeds have	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition	DNV recognises that allocation and impact reporting at transaction level may not be relevant for GCP transaction (although entity-level reporting remains applicable), and that market labelled transactions aligned with International Standards such as the ICMA GBP and LMA GLP will align with principle 4 'Reporting'. In such cases, reporting should include details on the allocation of proceeds, pending proceeds, funded activities or projects, and, where feasible, the expected or actual environmental impact

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
		Framework sections: ☒3a ☒3b ☒3c	been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmental impact.	Financing Framework (2025).	DNV notes that the Framework does not specify reporting obligations for borrowers receiving dedicated-purpose financing, nor entity-level reporting for GCP financing counterparties. This is due to the administrative and process-driven complexities of obtaining such information from borrowers, many of whom are unable to calculate and report such figures or have limited resources. DNV also highlights that it is uncommon industry practice to introduce reporting requirements for such transactions. However, DNV notes that, the absence of defined reporting requirements introduces potential risks to the objectives of the Framework, including reduced transparency around the allocation of proceeds, both allocated and unallocated, as well as limited visibility into the environmental impacts of Eligible Green projects. The Framework confirms NatWest will report on the progress towards its CTF target in its annual disclosures, such as the Annual Report, and that this information will be publicly available. Disclosures will include the total amount of proceeds (£ billion) dedicated to activities considered Eligible under the Framework. Reporting is not expected to outline the split between the types of funding, borrowers or the expected environmental impact. DNV concludes that the Framework addresses reporting adequately for market labelled transactions aligned with International Standards and that it is committed to annual reporting on the total amount of proceeds dedicated to Eligible projects on its public annual disclosures. We note that there are potential risks linked to the lack of reporting transparency from dedicated purpose financing and GCP transactions, and where the split between types of funding, borrowers and expected environmental impact will not be considered.

SCHEDULE 4: NATWEST TRANSITION FINANCE FRAMEWORK ASSESSMENT PROTOCOL - TRANSITION USE OF PROCEEDS PRODUCTS AND GENERAL CORPORATE PURPOSE

1. Use of Proceeds

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
1a	Types of funds	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	The types of Transition Finance instruments are classified into one of the following types defined by the ICMA GBP and LMA GLP. • (Standard) Transition Bond/ Loan • Transition Revenue Bond/ Loan • Transition Project Bond/ Loan • Other	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	The Framework outlines the services and products that are considered eligible under the framework and that are excluded under the framework, as stated in Section 1a of Schedule 3. Borrowers may issue the following Transition Financial Instrument categories: 1. Dedicated-purpose financing whereby the proceeds will be exclusively used to finance, in part or in full, Eligible projects as outlined in Schedule 2. 2. Market Labelled transactions in line with International Standards, including but not limited to, the ICMA CTFH and the Transition Finance in the Debt Capital Market guidance. 3. General corporate purpose (GCP) financing, whereby the proceeds will be used to finance corporate expenses of Eligible counterparties. DNV notes that market labelled transactions in line with the LMA's SLLP or ICMA SLBP, which include a climate, nature or GHG emission reduction metric are not automatically considered in alignment with the ICMA CTFH nor the definition of Transition Finance as set out in the Framework, which set specific climate performance expectations on borrowers. Whilst these transactions are considered to enable the Transition and may be reinforced by individual transaction assessments, it may still present a risk of misclassification, whereby financial instruments are designated as "Transition" despite not meeting specific entity-based climate Transition criteria. DNV confirms that NatWest has provided a clear description of the eligible financial instruments under the Framework. Despite the role Sustainability-Linked finance has in enabling the transition to net zero, there is a potential risk related to classifying sustainability-linked transactions, that do not align with CTFH criteria or the Framework's definition of Transition Finance.

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
1b	Transition Project Classification	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	The key to a Transition Finance instrument is that the proceeds will be used for a transition project, which should be properly stated in the legal documents relating to the finance instrument.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	The Framework outlines Eligible Transition activities which are expected to directly or indirectly contribute to the removal of GHG emissions from their life cycle and contribute to the borrower's transition towards net zero by 2050. Activities are expected to not impede the development and deployment of low or zero carbon alternatives, avoiding a lock in of carbon intensive assets by 2050, representing best market practice. The activities have been informed by sectoral decarbonisation scenarios such as the International Energy Agency's Net Zero Emissions and UK Climate Change Committee's Balanced Net Zero Pathway. These activities are listed in Schedule 2 of this opinion. In DNV's opinion, the activities related to Transition Finance also reference categories, such as those listed in the ICMA GBP and LMA/LSTA/ APLMA GLP: Project Categories: ▪ Renewable Energy; ▪ Energy Efficiency; ▪ Pollution Prevention and Control Projects; ▪ Environmentally Sustainable Management of Living; ▪ Natural Resources and Land Use; ▪ Terrestrial and Aquatic Biodiversity Conservation Projects; ▪ Clean Transportation; ▪ Sustainable Water and Wastewater Management; ▪ Climate Change Adaptation Projects; ▪ Eco-efficient and/ or Circular Economy Adapted; ▪ Products, Production Technologies and Processes. DNV notes that not all categories fall within those listed in the ICMA GBP and LMA/LSTA/ APLMA GLP, such as transition power and utilities, critical minerals and information technology. DNV is of the opinion that whilst these do not directly fit within existing categories they significantly contribute to GBP and GLP environmental objectives, primarily climate change mitigation. Net proceeds from Transition dedicated purpose financing and market-labelled Transition Finance in line with International Standards (e.g. ICMA CTFH) will be used to finance Eligible Transition activities.

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					DNV concludes that the Eligible Transition Finance activities are appropriately described and align with the ICMA GBP and LMA/LSTA/ APLMA GLP Eligible Green project categories or environmental objectives.
1c	Environmental Benefits	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	All transition projects to which the funds are used should have clear environmental benefits, the effects of which should be assessed by the borrower and, where possible, quantitatively demonstrated.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	NatWest defines Transition Finance as the financing of assets, activities, acquisition targets, and companies who support the transition towards a net zero economy by 2050. This includes initiatives that directly or indirectly contribute to the reduction or removal of greenhouse gas emissions, with a particular focus on carbon-intensive and hard-to-abate sectors. Such financing must not hinder the development or deployment of low or zero-carbon alternatives, nor result in the long-term lock-in of carbon-intensive assets beyond 2050. This principles-based definition is intended to evolve over time in line with emerging science-based pathways and reputable transition scenarios, such as those from the International Energy Agency and the UK Climate Change Committee. Eligible Transition activities described in Section 1b, market-labelled sustainability-linked contributing to climate, nature and GHG emission reductions and Eligible counterparties as described in Section 2a, will align with the above principles and are expected to contribute to NatWest's wider CTF target of providing or facilitating £200 billion in Climate and Transition financing by 2030, a strategic commitment by NatWest in an effort to support the real economy to align with a transition towards net zero, in line with the 2015 Paris Agreement. DNV recognises that market labelled transactions aligned with International Standards such as the ICMA CTFH, SLBP and LMA/APLMA/LSTA SLLP will require borrowers to assess impact, and where feasible, quantify it. The Framework does not outline any obligations for borrowers of dedicated-purpose financing to assess environmental impact. DNV notes that, whilst this omission is common market practice for unlabelled transactions, and it avoids penalising borrowers with resource constraints or who are unable to obtain such data, it may result in a lack of transparency and hinder the ability to track the actual environmental outcomes of financed activities. Consequently, this could lead to potential overstatements of environmental impact

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					attributed to such financing, especially in the case of Transition activities, often in hard to abate sectors, where the environmental benefits are expected to require further assessment. DNV concludes that the Framework adequately describes Transition Eligible activities, and that these are likely to deliver clear environmental benefits. DNV notes that the Framework presents a potential risk linked to the lack of requirement on borrowers to assess the environmental impact related to the Eligible Transition activities.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
2a	Project selection process	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	Transition Finance borrowers should provide an overview of the process of qualifying projects for which Transition Finance funding will be used. This includes (but is not limited to): • The process by which the Borrower determines that the project in question is included in the business category of a qualified Transition project.	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and Transition Financing Framework (2025).	DNV recognises that labelled transactions aligned with International Standards such as the ICMA CTFH will align with principle 2 of the GBP “Process for project selection and evaluation”. These will require the borrower to outline the process it follows when determining the eligibility of an investment using Transition Finance Instrument proceeds. NatWest’s counterparty eligibility internal assessment for GCP Transition Finance will be initiated following the below stated considerations: ▪ whether the borrower (other than a fund) has 90% or more of revenue and/or capital expenditure and/or research & ▪ development, derived from, or dedicated to, activities outlined in Schedule 2; or ▪ whether the borrower has committed to emissions reduction targets in line with the Science Based Targets Initiative or equivalent; or ▪ whether the borrower has a transition plan to reach net zero by 2050; or

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
			• Creation of criteria for eligibility of projects for which Transition Finance funding will be used.		▪ the borrower's CDP (formerly known as the 'Carbon Disclosure Project') score or Transition Pathway Initiative score; or In the case of a fund counterparty, whether: ▪ the borrower has 90% or more of its portfolio of assets under management invested in, or, as evidenced by the fund strategy (as stated in the fund's prospectus or analogous document), are expected to be invested in, activities outlined in Schedule 2 at the time of assessment; or ▪ its portfolio of assets under management is being managed in line with the Net Zero Investment Framework (NZIF), Private Markets Decarbonisation Roadmap (PMDR) or equivalent industry aligned transition methodologies. Counterparty eligibility evaluation for GCP Transition Finance instruments will be determined by NatWest through an internal assessment of the counterparty's credentials with respect to climate performance. The assessment will also be dependent on factors including, but not limited to, company size, sector and jurisdiction. For Sustainability linked transactions, where a specific climate, nature or greenhouse gas reduction metric is not included, the transaction's eligibility may also be considered under the counterparty Climate Finance or Transition Finance eligibility assessment as outlined in section 3c of the Framework. In the coming years, the Group aims to integrate its proprietary Customer Transition Plan Assessment (CTPA) tool into the process, dependent on the standardisation of market frameworks and reporting. DNV notes that the Framework does not outline specific requirements for borrowers of dedicated-purpose financing to outline their own investment decision making process. While NatWest has included safeguards, and DNV recognises it is not common market practice, and comes with operational difficulties, we recognise potential risks related to the misclassification of activities as Eligible under the Framework.

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					Please see NatWest's wider governance process for the evaluation and selection of Eligible activities in Schedule 3 Section 2a. Whilst, we recognise the mitigants in place to prevent against misclassification, DNV is of the opinion that NatWest's classification at inception only, in relation to the tracking of the progress of the CTF target, is of particular risk in the case of Transition activities due to the evolving nature of the scope and definition of the category at industry level. DNV concludes that NatWest has established robust management and decision-making structures for the selection and evaluation of Eligible Transition activities funded through market-labelled financial instruments and GCP finance instruments. DNV notes a heightened potential risk of misclassification of products related to Transition Finance activities in the medium to long-term as declassification in line with industry standards evolve. NatWest has committed to updating the Framework periodically to minimise the risk of falling behind market practice.
2b	Borrowers' Environmental Governance Framework	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	In addition to criteria and certifications, the information published by Borrowers regarding the Transition Finance process also considers the quality of performance of the Borrower's framework and environmental sustainability.	In addition to reviewing the evidence below, we have had discussions with NatWest. • NatWest Group Climate and Transition Financing Framework (2025).	DNV acknowledges the heightened significance of assessing the environmental performance of borrowers in the context of Transition Finance, given the inherently high-carbon and hard-to-abate nature of many counterparties associated with such financing. As outlined in Section 1c, Transition Finance is defined as financing that supports the transition of the economy towards net-zero by 2050 and accordingly requires that companies demonstrate alignment with this decarbonisation trajectory. DNV acknowledges that where market-labelled bonds are aligned with International Standards, such as the ICMA CTFH, the following elements are likely to be considered: 1. The issuer's climate transition strategy and governance. 2. Business model environmental materiality. 3. Climate transition strategy and targets to be science-based. 4. Implementation transparency. NatWest considers the quality of a customer's environmental performance in its assessment of counterparty eligibility for transition

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
					financing, particularly for general purpose financing as described in Section 2a of this schedule. DNV notes that the Framework does not mandate borrower-level assessment of the climate strategy and performance for borrowers of dedicated-purpose Transition financing. The absence of such a requirement may result in the inclusion of issuers that do not demonstrate sufficient progress in decarbonisation at an entity-level, with potential risks to the objectives and principles of Transition Finance as defined by NatWest. Please see how the Framework operates alongside NatWest's wider Group policies and due diligence procedures in Schedule 3 Section 2b. DNV concludes that, whilst NatWest has set in place measures to consider borrower's environmental performance for GCP and that this is inherent to alignment with market-labelled finance instruments, DNV recognises the heightened risk of mis-evaluation of funding for dedicated-purpose Transition Finance instruments. DNV recognises NatWest's responsibility to ensure finance instruments classified as Transition Finance meet the principles-based definition as outlined in Section 1c.

3. Management of proceeds

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	NatWest governance: ☐Yes ☒No Borrower requirements for the following	The net proceeds from of Transition Finance should be managed in sub-accounts, included in sub-portfolio, or otherwise tracked. It should also be certified by the Borrower in a	In addition to reviewing the evidence below, we have had discussions with NatWest. ▪ NatWest Group Climate and	Please see how the Framework addresses the management and tracking of proceeds for Green and Transition Finance instruments in Section 3 of Schedule 3. DNV concludes that the Framework addresses the tracking of the proceeds adequately for its market labelled transactions aligned with International Standards; and that the management and tracking of proceeds bears low risk for GCP transactions. DNV highlights that

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
		Framework sections: ☒3a ☒3b ☐3c	formal internal process related to the Borrower's investment and financing operations for the Transition Project.	Transition Financing Framework (2025).	there are potential risks associated with ongoing tracking of allocated and unallocated proceeds for dedicated-purpose financing, where the Framework does not set such requirements.
3b	Tracking procedure	NatWest governance: ☐Yes ☒No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	During the Transition Finance redemption period, the balance of funds raised that is being tracked should be adjusted at regular intervals to match the amount allocated to Eligible projects undertaken during that period.	In addition to reviewing the evidence below, we have had discussions with NatWest. • NatWest Group Climate and Transition Financing Framework (2025).	
3c	Temporary holdings	NatWest governance: ☐Yes ☒No Borrower requirements for the following Framework sections: ☒3a ☒3b ☐3c	If no investment or payment has been made in a qualified transition project, the Borrower should also inform the investor of the possible temporary investment method for the balance of unallocated proceeds.	In addition to reviewing the evidence below, we have had discussions with NatWest. • NatWest Group Climate and Transition Financing Framework (2025).	

4. Reporting

Ref.	Criteria	Scope	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	NatWest governance: ☒Yes ☐No Borrower requirements for the following Framework sections: ☒3a ☒3b ☒3c	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, the issuer will consider each project at least once a year for projects to which the transition bond proceeds have been allocated, taking into account the following: A list of each project should be provided. - Confidentiality and competitive considerations. - Outline of each project, expected sustainable environmental and social effects.	In addition to reviewing the evidence below, we have had discussions with NatWest. • NatWest Group Climate and Transition Financing Framework (2025).	Please see how the Framework addresses allocation and impact reporting for Green and Transition Finance instruments in Section 4 of Schedule 3. DNV concludes that the Framework addresses reporting adequately for market labelled transactions aligned with International Standards and that it is committed to annual reporting on the total amount of proceeds dedicated to Eligible projects on its public annual disclosures. We note that there are potential risks linked to the lack of reporting transparency from dedicated purpose financing and GCP transactions, and where the split between types of funding, borrowers and expected environmental impact will not be considered.