



## Section 172(1) of the Companies Act 2006

Section 172(1) of the Companies Act 2006 is one of the statutory duties that directors have and requires them to promote the success of the company for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006. Certain companies within the NatWest Group need to include a statement (a Section 172(1) Statement) within their Annual Report explaining how the directors have had regard to these matters.

The Section 172(1) Statements for the following subsidiaries can be accessed or viewed below.

- NatWest Holdings Limited
- National Westminster Bank Plc
- The Royal Bank of Scotland plc
- NatWest Markets Plc
- [NatWest Boxed Limited](#)
- [Coutts & Company](#)
- [Coutts Finance Co.](#)
- [Cushon Group Limited](#)
- [Cushon Money Limited](#)
- [Cushon MT Limited](#)
- [Creative Auto-Enrolment Limited](#)
- [RBS Collective Investments Funds Limited](#)
- [FreeAgent Central Limited](#)
- [NatWest Trustee and Depositary Services Limited](#)
- [Lombard Business Leasing Limited](#)
- [JCB Finance Limited](#)
- [Lombard North Central PLC](#)
- [Lombard Finance Limited](#)
- [Lombard Lessors Limited](#)
- [Lombard Maritime Limited](#)
- [RBS Invoice Finance Limited](#)
- [RBS AA Holdings \(UK\) Limited](#)
- [Lombard Technology Services Limited](#)
- [Royscot Trust PLC](#)
- [Care Homes Holdings Limited](#)

### **NatWest Holdings Limited - 2024**

Please see the [2024 Annual Report and Accounts](#)

### **National Westminster Bank Plc - 2024**

Please see the [2024 Annual Report and Accounts](#)

### **The Royal Bank of Scotland plc - 2024**

Please see the [2024 Annual Report and Accounts](#)

### **NatWest Markets Plc - 2024**

Please see the [2024 Annual Report and Accounts](#)

### **NatWest Boxed Limited – 2023**

#### **Stakeholder engagement and s.172(1) statement**

The Company is a subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

#### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

#### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

#### **Shareholders**

The Company is a joint venture between National Westminster Bank Plc and Vodeno SP. Z.O.O. ('Vodeno'), a leading European BaaS provider. The board of directors comprises representatives from National Westminster Bank Plc and Vodeno. The Company is party to a shareholders' agreement with National Westminster Bank Plc and Vodeno which, together with the Company's Articles of Association, govern the terms of investment by the shareholders and terms governing the future affairs of the Company.

#### **Customers**

At Natwest Group, we're working to meet our customers' needs and provide better, more personalised products and services.

During the period, the Board received regular updates from management on market and customer insights which serve to inform the product development roadmap for the BaaS proposition.

## **Colleagues**

Colleagues are the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Regulators**

NatWest Group operates in a highly regulated market which continues to evolve. We understand the need to have an ongoing, constructive and open dialogue with all relevant regulatory bodies. During the period the Board received updates from the Company's risk and compliance team on engagement with regulators to discuss the Company's proposition.

Further information on how NatWest Group engages with regulators can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Suppliers**

We foster strong relationships with all our key stakeholders, including our suppliers.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Communities**

As a leading financial firm in the UK, NatWest Group believes we can make a real and positive difference to people's lives.

Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

## **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, regulators, prospective customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of the Company and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material or of strategic importance to the Company or are significant to any of the Company's key stakeholders. During the period, the Board approved the Company's business plan and budget taking into consideration market insights and prospective customer feedback, regulatory obligations and the views of its members.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Coutts & Company – 2024**

### **Stakeholder engagement and s.172 (1) statement**

In this statement we describe how our directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 (section 172) when performing their duty to promote the success of the company. The key stakeholder groups remain clients, colleagues, shareholder, regulators and suppliers.

## **Our stakeholders**

The Board reviews and confirms its key stakeholder groups for the purposes of s.172(1) annually. Coutts' key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

## **Supporting effective Board discussions and decision-making**

Our Board Terms of Reference reinforce the importance of considering the matters set out in s.172(1) in Board discussions and decision-making. The Board and Board Committee paper template includes a section for paper authors to include an assessment of the relevant stakeholder impacts for the directors to consider.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to Coutts, as well as those which are significant to key stakeholders.

Further information on the Board's principal activities can be found in the Director's Report on page 41 of Coutts & Company Annual Report & Accounts 2024.

## **Additional information in relation to key stakeholder groups**

### **Clients**

Meeting the needs of clients is central to our long-term success and is a feature of Board discussions and decisions. Net Promoter Score (NPS) is regularly reviewed by the Board and Executive Committee and represents a key performance metric. During the year the Board received regular updates on client matters through reports from the Chief Executive Officer (CEO) and spotlights from the business areas. The directors met with clients during the year to enhance relationships and understand their views. In addition, a Client Council is operated to undertake research during the year to understand better our clients' views and test developments which helps us to evolve in line with their needs.

### **Colleagues**

As at 31 December 2024, NWB plc had seconded 2,296 colleagues to Coutts (2023 – 2,466) (full time equivalent basis, including temporary workers). Details of staff numbers and their related costs are included in Note 3 to the accounts.

We are a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock their full potential. Information on how Coutts, as part of NatWest Group engages with colleagues, including details of the People Pledges, colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2024 Annual Report and Accounts.

Within Coutts we have a strong and active Respect, Diversity & Inclusion Council, made up of colleagues who lead employee networks covering disability, ethnicity, faith, gender, LGBT+ and social mobility. We remain focussed across our whole Diversity, Equity and Inclusion agenda, including our continued attention on ethnic diversity. The Board monitors diversity and inclusion on a quarterly basis to check progress against key measures.

The Board promotes colleague voice in the boardroom through a variety of channels, including an 'open chair', which provides the opportunity for junior colleagues to attend, and participate in, board and committee meetings.

The People Council, made up of circa 70 colleagues, represents colleagues at all levels and acts as custodian of our culture plan. It also provides an opportunity for our Executive Committee and Board to engage directly with colleagues.

### **Shareholder**

Coutts recognises the benefits that being part of the wider NatWest Group provides, for example in terms of the ability to call on extensive IT and other specialist resources, including in relation to cyber-crime defences. The shareholder's perspective is provided through interactions at both management and Board levels.

### **Regulators**

The Board recognises the importance of open and continuous dialogue with regulators. The Chair and CEO meet with the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) through Continuous Assessment and Proactive Engagement meetings.

### **Suppliers**

The Board is mindful of the role suppliers play in ensuring a reliable service is delivered to clients, and of the importance of relationships with key suppliers. The Board received updates on its suppliers on an ad hoc basis.

## **Coutts Finance Co. – 2024**

### **Stakeholder engagement and s.172(1) statement**

This statement describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 (section 172) when performing their duty to promote the success of the company.

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

The Board reviews and confirms its key stakeholder groups for the purposes of section 172 annually. For 2024, these remained customers, colleagues and regulators.

Examples of how the Board has engaged with stakeholders can be found in this statement. Our Board terms of reference reinforce the importance of considering the matters set out in section 172. Our template for all board papers also supports consideration of stakeholders and enables good decision-making.

### **Our Stakeholders**

The company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

#### **Customers**

During the year, the Board received regular updates on customer issues through reports into the quarterly Board meetings. Further information on customers can be found in the NatWest Group plc 2024 Annual Report and Accounts.

#### **Colleagues**

Colleagues are the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose. Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2024 Annual Report and Accounts.

#### **Regulators**

NatWest Group operates in a highly regulated market which continues to evolve. We understand the need to have an ongoing, constructive and open dialogue with all relevant regulatory bodies. Further information on how NatWest Group engages with regulators can be found in the NatWest Group plc 2024 Annual Report and Accounts.

### **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. The Board is mindful it is not always possible to achieve an outcome which meets the expectations of all our stakeholders outside the three key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material or of strategic importance to the company or are significant to any of the company's key stakeholders.

All decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2024 Annual Report and Accounts.

### **Cushon Group Limited – 2023**

Section 172(1) contains one of the statutory duties of the directors; it requires them to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other stakeholders and matters as set out in s. 172(1) (a) to (f). These include the likely long-term consequences of directors' decisions; colleague interests; the need to foster the Company's business relationships with service providers, customers and others; the Company's impact on the community and environment; its reputation; and the need to act fairly between the Company's shareholders. Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172.

During 2023, the Board considered a number of matters relating to the integration of Cushon Group with NatWest Group including entry into master secondment arrangements to support the transfer of Cushon employees to NatWest Group and the adoption of new terms of reference and revocation of delegations to its Audit & Risk and Remuneration Committees in alignment with the NatWest Group Governance Framework. The Board also considered routine matters including changes to its board of directors, its 31 March 2023 Annual Report and a change of accounting reference date to align its financial reporting period with that of its ultimate parent, NatWest Group plc.

Relevant stakeholder interests were considered by the Board and the long-term consequences of the Board's decisions.

Further information on how NatWest Group (which includes the Company) engages with its stakeholders can be found in the NatWest Group plc Annual Report and Accounts at [www.natwestgroup.com](http://www.natwestgroup.com).

### **Cushon Money Limited – 2023**

Section 172(1) contains one of the statutory duties of the directors; it requires them to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other stakeholders and matters as set out in s. 172(1) (a) to (f). These include the likely long-term consequences of directors' decisions; colleague interests; the need to foster the Company's business relationships with service providers, customers and others; the Company's impact on the community and environment; its reputation; and the need to act fairly between the Company's shareholders. Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172.

During 2023, the Board considered routine matters including changes to its board of directors, its 2022 Annual Report, a change of accounting reference date to align its financial reporting period with that of its ultimate parent, NatWest Group plc and completed the annual review of the Company's Internal Capital and Risk Assessment Process.

Relevant stakeholder interests were considered by the Board and the long-term consequences of the Board's decisions.

Further information on how NatWest Group (which includes the Company) engages with its stakeholders can be found in the NatWest Group plc Annual Report and Accounts at [www.natwestgroup.com](http://www.natwestgroup.com).

### **Cushon MT Limited - 2023**

Section 172(1) contains one of the statutory duties of the directors; it requires them to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other stakeholders and matters as set out in s. 172(1) (a) to (f). These include the likely long-term consequences of directors' decisions; colleague interests; the need to foster the Company's business relationships with service providers, customers and others; the Company's impact on the community and environment; its reputation; and the need to act fairly between the Company's shareholders. Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172.

During 2023, the Board considered routine matters including changes to its board of directors, its 31 March 2023 Annual Report and a change of accounting reference date to align its financial reporting period with that of its ultimate parent, NatWest Group plc.

Relevant stakeholder interests were considered by the Board and the long-term consequences of the Board's decisions.

Further information on how NatWest Group (which includes the Company) engages with its stakeholders can be found in the NatWest Group plc Annual Report and Accounts at [www.natwestgroup.com](http://www.natwestgroup.com).

### **Creative Auto-Enrolment Limited – 2023**

Section 172(1) contains one of the statutory duties of the directors; it requires them to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other stakeholders and matters as set out in s. 172(1) (a) to (f). These include the likely long-term consequences of directors' decisions; colleague interests; the need to foster the Company's business relationships with service providers, customers and others; the Company's impact on the community and environment; its reputation; and the need to act fairly between the Company's shareholders. Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172.

During 2023, the Board considered routine matters including changes to its board of directors, its 2022 Annual Report and a change of accounting reference date to align its financial reporting period with that of its ultimate parent, NatWest Group plc.

Relevant stakeholder interests were considered by the Board and the long-term consequences of the Board's decisions.

Further information on how NatWest Group (which includes the Company) engages with its stakeholders can be found in the NatWest Group plc Annual Report and Accounts at [www.natwestgroup.com](http://www.natwestgroup.com).

### **RBS Collective Investment Funds Limited - 2024**

#### **Directors' Duties and Engagement with Stakeholders**

##### **Section 172(1) statement**

This section of the Strategic Report forms the directors' statement required under section 414CZA of The Companies Act 2006 ("the Act"), describing how the directors have had regard to the matters set out in section 172(1) of the Act.

Section 172(1) contains one of the statutory duties of the directors: it requires them to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other stakeholders and matters as set out in s.172(1) (a) to (f). These include the likely long-term consequences of directors' decisions; employee interests; the need to foster the Company's business relationships with service providers, customers and others; the Company's impact on the community and environment; its reputation, and the need to act fairly between the Company's shareholders.

The NatWest Group's purpose – "We champion potential, helping people, families and businesses to thrive" is considered in Board discussions and decision making. This purpose forms a foundation for Board discussions and decisions and is formally built into all proposals and updates.

### **Board training and support on s.172(1) duties**

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including s.172(1), and regular 'teach-in' sessions are held on relevant topics.

### **Key Stakeholders**

The Company's key stakeholders are: investors in the Sub-funds ("customers"), NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged in the Company's work, and material service providers. These material service providers have been identified from contracts held either directly with the Company or with the Funds.

### **Customers**

Servicing customers is one of the key pillars of the NatWest Group purpose: to champion potential, helping people, families and businesses to thrive. The Board pays careful attention to the outcomes that the Sub-funds deliver to their customers and, through the Assessment of Value, sets out any proposed improvements to deliver on this commitment. The FCA's Consumer Duty has brought into regulatory focus the Board's ongoing cornerstone of delivering good customer outcomes. The Board has actively engaged on the implementation of Consumer Duty, receiving regular updates, and undertaking training provided by a third party. They have also taken appropriate steps to ensure that any fund distributors and third parties are also complying with Consumer Duty requirements.

### **Colleagues**

A highly engaged workforce is crucial in helping NatWest Group to achieve its purpose.

Twice a year our colleagues are asked to share their views on what it is like to work for NatWest Group via a collective opinion survey. Our latest survey shows NatWest Group ahead in the majority of categories against the Global Financial Services norms.

### **Service providers**

The Board recognises the key role service providers (such as the Customer Administrators, Depositary, Risk Manager, Fund Administrators, Transfer Agent, Investment Manager (Coutts & Co)) play to ensure that the Company delivers a reliable service to customers. During the year, the Board held detailed review sessions with individual service providers as part of a regular Board-level engagement programme, in addition to the regular interactions and monitoring that took place at management level.

The Board has continued to monitor closely the quality of the Customer Administration Service provided. Service levels during the year were not consistently at the desired level. Following intervention by the Board, significant progress has been made, and has been reflected in improving customer feedback. The Board will retain its focus ensuring good performance is sustained.

The Company is also committed to managing the wider social, environmental and economic impacts of its operations, which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to [www.natwestgroup.com](http://www.natwestgroup.com) for NatWest Group's Modern Slavery Statement and details of the Group's new Supplier Charter, both of which apply to relevant subsidiaries within NatWest Group, including the Company.

The Supplier Charter, which replaced the Group's previous Supplier Code of Conduct, sets out expectations in terms of ethical business conduct, human rights, environmental sustainability, and diversity and inclusion. In line with the Group's purpose, it details not only what the Company expects from its suppliers, but also outlines what the Company's own commitments are in these key areas.

### **Shareholder**

The Company recognises the benefits that being part of a wider group provides, for example in terms of the ability to call on specialist resources. The shareholder's perspective is provided through interactions at management and board levels.



### **How stakeholder interests have influenced decision making**

The Company recognises the importance of engaging with stakeholders to help inform the Company's strategy and board decision making. Relevant stakeholder interests are taken into account by the Board when it takes decisions.

The Company defines principal decisions as those that are material or of strategic importance to the Company and also those that are significant to any of the Company's key stakeholder groups. In making its decisions, the Board considers the outcomes of relevant stakeholder engagement, as well as the need to maintain a reputation for high standards of business conduct and to consider the long-term consequences of its decisions.

To support the Board in any decision-making, it receives comprehensive papers prepared by management. During its discussions the Board notes the stakeholder impacts, notably to customers, and is mindful of their duties under section 172. This includes making decisions on any dividend distributions to the shareholder to ensure the Company retains sufficient capital to protect the Company and its customers.

Material decisions taken during the year included reviews of the annual Assessment of Value, NWG Task Force for Climate-related Financial Disclosures and NWG Consumer Duty Board Assessment. During the year, the Benchmarks of many of the Sub-funds were changed, removing the distinct UK equity and non-UK equity components and replacing them with a single global equity component. Additionally, an ESG filter provided by the Investment Manager was incorporated. This involved a change to the prospectus.

Please refer to the Annual Report and Accounts of NatWest Group plc for further information on NatWest Group's approach to stakeholder engagement.

### **FreeAgent Central Limited – 2023**

#### **Stakeholder Engagement and s.172(1) statement**

This section of the Strategic report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the directors' statement required under section 414CZA, of the Companies Act 2006.

The Company is a subsidiary of NatWest Group plc. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

#### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

#### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

#### **Customers**

At NatWest Group, we're working to meet our customers' needs and provide better, more personalised products and services. During the year, the Board received regular updates on customer issues through Company customer satisfaction surveys, customer feedback and subscriber numbers.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## Colleagues

It is important that the Company is seen to be a credible employer, well regarded in our industry and trusted by our customers and employees. We want the Company to be a place where everyone is able to be themselves and do their best work. We have built our culture on a strong set of values that reflect the daily employee experience. We work hard to create a place where people can own, enjoy and be proud of their work. We want people to feel nurtured, at ease, empowered and engaged. We value our diverse team and believe that the variety of our experiences and backgrounds only makes us stronger. We take time to listen and understand our people's individual needs to create an environment of trust that enables and empowers people to do their best work. The Company takes a number of steps to continuously improve on equality, diversity and inclusion within our organisation and beyond by fostering strong partnerships with external partners to gain insight from key under-represented groups. You can find out more about some of our sustainability focused activities on our website, [www.freeagent.com/company/sustainability](http://www.freeagent.com/company/sustainability).

Board decisions are taken with due regard to all employee interests. During the year the Board received regular updates on employee engagement initiatives which include weekly town hall check-ins, 'Ask the Execs' open forums, bi-annual engagement surveys and an Inclusion and Diversity Survey from the CEO and Chief People Officer. During the year, the Company held its second internal conference bringing together over 100 of our engineering, design and product teams, providing a good opportunity for career development for employees. FreeAgent were also shortlisted for the Personnel Today Award for "Candidate Experience" and have a Glassdoor rating of 4.7 out of 5.

Engaging colleagues is crucial to the success of a company and the Company also benefits from NatWest Group's approach to colleague engagement.

Information on how NatWest Group engages with colleagues, including details of the Colleague listening strategy, performance and reward, and Diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## Regulators

NatWest Group operates in a highly regulated market which continues to evolve in scope. As such, we understand the need to have an ongoing, constructive and open dialogue with all relevant regulatory bodies.

Further information on how NatWest Group engages with regulators can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

The Company is committed to becoming more environmentally and socially sustainable by:

- gaining a better understanding of the impact that we make on our environment and community;
- taking action to support this aim and address any shortcomings;
- increasing awareness of sustainability within the Company to build an eco-focused company culture; and
- empowering our customers to take a more sustainable approach to running their businesses.

Further information on communities and environment can be found on the Company's website, [www.freeagent.com/company/sustainability](http://www.freeagent.com/company/sustainability), and in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

### **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside of the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company, or are significant to any of the Company's key stakeholders. During the year, decisions were taken to approve funding from the Company's sole shareholder. These decisions were made after careful consideration of working capital requirements to support the long-term sustainable success of the Company.

## **NatWest Trustee and Depositary Services Limited – 2024**

### **Section 172(1) statement**

In this statement we describe how our directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 (section 172) when performing their duty to promote the success of the company.

### **Engagement with stakeholders**

The Board reviews and confirms its key stakeholders for the purposes of S.172 annually. For 2024 they remain colleagues, authorised fund managers, third party providers (such as custodians and data suppliers), regulators and the Company's shareholder.

### **Colleagues**

- Our people policies and procedures are, wherever possible, aligned to NatWest Group. Further information can be found in the 'Colleagues' section of the NatWest Group 2024 Annual Report and Accounts.
- The bi-annual colleague listening survey continued to provide valuable feedback for leaders. NWTDS saw an improvement in Business Change & Transformation scores by +7 vs 2023 and continued to improve scores in My Performance and Total Reward vs 2023, maintaining performance in these areas above the Financial Services Norm (+5 and +3 respectively). Lower scores in other categories remained in focus to improve colleague sentiment in 2025. NWTDS saw minimal movement in the scores of the 3 core indexes of Culture, Engagement and Leadership. Whilst Engagement declined ever so slightly, Culture remained steady and the Leadership score improved by 3 percentage points.

- We took a focused and impactful approach to DE&I that is anchored in the attraction, advancement and retention of diverse talent. We want to give all colleagues, and every customer who comes into contact with us, the opportunity to succeed. We comply with local laws on equality and with Our Code, which sets out NatWest Group expected behaviours and standards of conduct, to build and develop an inclusive workforce in order to understand and respond to our diverse customer base.
- We have updated our Recruitment YES check, a checklist to keep DE&I and the candidate experience front of mind at every stage of the recruitment process. We also mandated inclusion-focused training for all hiring managers and expanded our Inclusive Interview Ambassadors team to over 600 members. These steps provide diverse perspectives on our interview panels.
- At 31 December 2024, we had 37.5% women in our top three layers, a decrease of 2.5% since 31 December 2023. Information on our gender and ethnicity pay gap is disclosed within the NatWest Group's Gender Pay Gap report.
- Starting in 2025, NatWest Group, including RBSI Group, will adopt a new approach to diversity targets. More details are available in the 'Responsible business- diversity, equity and inclusion' section of the NatWest Group 2024 Annual Reports and Accounts.
- NatWest Group launched 'Beyond' in 2024, a refreshed approach for performance management across the bank, designed for colleagues. NatWest TDS are aligned to the 'Beyond' framework, focused on driving a culture of performance to deliver an improved experience for customers and colleagues.
- We are investing in our workforce to deliver long-term, sustainable performance by providing our colleagues with the capabilities and future skills they need to fulfil their potential. We give everyone a minimum of two dedicated learning days, annually, to build the skills they need, underpinned by our ambition to be a learning organisation. We are focussed on building a self-led learning culture and capability within our teams, and this is a key component of a number of our experiments for our Strategic Workforce Planning.

Leadership capability continued to be a focus, with the Senior Leadership Team completing a year-long learning programme focused on leading well and emphatically through change. We also continued to invest in talent development, with colleagues identified as 'Rising Stars' and potential future leaders, undergoing a targeted development programme.

- We continue to ensure employees are paid fairly for the work they do and are supported by simple and transparent pay structures in line with industry best practices. We keep our policies and processes under review to make sure we do so.
- We support families and carers, ensuring they can balance family and work responsibilities in a way that supports their mental and physical well-being. RBSI Group, as part of NatWest Group, launched a market leading Partner Leave Policies in 2023. The policy supports all eligible employees with significantly more time away from work to help their partner look after their new child, whether the new child arrived through birth, adoption or surrogacy.

## Speak Up

Colleagues can report concerns relating to wrong-doing or misconduct through Speak Up our whistleblowing service. The service facilitates confidential and anonymous reporting. When colleagues were asked if they feel safe to speak up and understand how they do this, our 2024 colleague listening survey showed an above financial services industry score.

## Society and sustainability

Customers are at the heart of everything NatWest Group does, and the Board recognises the key role suppliers play in ensuring the Company delivers a reliable service to customers. The Company is also committed to managing the wider social, environmental and economic impacts of its operations which

includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to [natwestgroup.com](https://natwestgroup.com) for NatWest Group's Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to relevant subsidiaries within NatWest Group.

RBSIH Group, as part of NatWest Group, published 2030 sector targets validated by the Science Based Targets initiative (SBTi) as science-based. These targets have been assessed by the SBTi against the latest available climate science and have been used in the development of our climate transition plan. In addition to the Environmental, Social and Governance (ESG) resources and reading material published on the RBSIH Group website, 2024 saw the third series of the RBSIH podcast 'A Just Transition', including episodes on nature and biodiversity, governance and anticipated trends in ESG for 2024.

Refer to the NatWest Group 2024 Sustainability Report for further detail.

The Company's ESG Data & Analytics Tooling remains in active development using multiple, external ESG data vendors and daily fund holdings as source data. This allows detailed analysis of fund ESG profiles against related objectives and restrictions outlined in the fund prospectus and regulatory rules. The same data sources will underpin the Company's ESG Rules Engine which will ensure that client portfolios remain compliant with the changing regulatory landscape.

## Regulators

The RBSIH Group and NWTDS are subject to extensive laws, regulations, guidelines, corporate governance practice and disclosures requirements, administrative actions and policies which represents ongoing compliance and conduct risks including, but not limited to:

- Changes to the FCA Investment Firm Prudential Regime for MiFID Investment firms;
- Changes to UK laws as a results of Brexit that may adversely affect NWTDS or its ultimate parent (NatWest Group);
- The UK ring-fencing regime;
- Enhanced data protection and IT resilience requirements;
- Enhanced regulations in respect of the provision of 'investment services and activities';
- The introduction of, and changes to, taxes, levies or fees;
- Increased regulatory focus on combating financial crime and failure to comply could lead to enforcement action by RBSI Group's regulators, including penalties, which may have an adverse effect on RBSI Group's business, financial condition and prospects;
- Any regulatory requirements relating to the use of artificial intelligence and large language models across the financial services industry (such as the European Union Artificial Intelligence Act).

The Company holds off balance sheet balances due to its fiduciary capacity. As CASS (Client Assets Specialist Sourcebook) audit is carried out separately on an annual basis for the UK Financial Conduct Authority. Ernst & Young LLP have provided this service during 2023 period under the FRC's CASS+ - Audit Standard.

The Company has a dedicated CASS Supervisor in the FCA's Resolution Strategy, Operations and CASS (ReSOC) team with whom the Company meet twice yearly to discuss CASS matters. The Company maintains an open dialogue with the CASS Supervisor between meetings, ensuring they are informed of material CASS breaches, material change projects, and other matters to which they would expect to be made aware of by the Company. The Company also completes the monthly Client Money and Asset Return (CMAR) as required.

The Company takes the safekeeping of assets very seriously as this is one of the core activities of a depositary, the assets are held under the CASS rules. The Company has dedicated CASS resource focussed on ensuring compliance with the requirements in the FCA CASS sourcebook.

## **Supporting effective Board discussions and decision-making**

Our Board and Committee terms of reference reinforce the importance of considering both our purpose and the matters set out in section 172 (1). Our Board and Committee paper template includes a section for authors to explain how a proposal or update aligns with our purpose and a separate section for them to include an assessment of the relevant stakeholder impacts for the directors to consider.

### **Principal decisions**

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company, or are significant to the Company and NatWest Group's key stakeholders.

### **How stakeholder interests have influenced decision making**

The Company recognises the importance of engaging with stakeholders to help inform the Company's strategy and Board decision making. Relevant stakeholder interests, including those of colleagues, are taken into account by the Board when it takes decisions.

In making the following principal decisions, the Board considered the outcomes of relevant stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct.

The Board has approved a major transformation programme to modernise the Company's operating platforms and how data is dealt with, streamline its operating model, improve controls and evolve the business model to become the depository of the future, all of which will benefit key stakeholders.

During 2024, the business removed its dependency on an external development partner and moved future development in house to NatWest Group. Three significant process releases were completed in the year and now 10 of the original 18 in scope processes are live, including all Alternative Fund processes.

## **Lombard Business Leasing Limited – 2023**

### **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central PLC, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by

NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

## **Customers**

At Natwest Group, we're working to meet our customers' needs and provide better, more personalised products and services.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Colleagues**

Colleagues are the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Suppliers**

We foster strong relationships with all our key stakeholders, including our suppliers.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Communities**

As a leading financial firm in the UK, NatWest Group believes we can make a real and positive difference to people's lives.

Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

## **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material or of strategic importance to the Company, or are significant to any of the Company's key stakeholders.

On 1 November 2023 the Board approved the disposal of part of the leasing trade and assets to a fellow group company and the acquisition of either all, or part of, the leasing trade and assets of other fellow group companies. This decision was made after consideration of the benefits to the Company and to the Company's sole shareholder Lombard North Central PLC, ensuring compliance with group policies and obtaining local stakeholder approvals.

On 15 December 2023 a decision was taken to pay a final dividend to the Company's sole shareholder. That decision was made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on the Company's long-term success.

All other decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **JCB Finance Limited - 2023**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

Section 172(1) of the Companies Act 2006 (Section 172) is one of the statutory duties that directors have and requires them to promote the success of the Company for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f). These include the long term consequences of decisions, colleague interests, the need to foster the Company's business relationships with suppliers, customers and others; the impact on community and the environment; the Company's reputation and the need to act fairly as between members.

The Company's key stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, the JCB Dealer network, JCB Finance employees (being full time and part time staff), and suppliers who support the Company in the provision of elements of its products and services. These key stakeholders have been identified by virtue of contracts and relationships held by those stakeholders directly with the Company. The range of engagement methods used by directors to understand the various stakeholder views and interests include Net Promoter Scores, complaint volumes, staff surveys and open lines of communication with the Dealer network at all levels within the business.

Directors are supported in the discharge of their duties by the Company Secretary. All Directors are aware of their statutory duties, including Section 172 and are aware of the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018.

#### **Engagement with suppliers, customers and others**

Customers are at the heart of everything JCB Finance does and the Board recognises the key role suppliers play in ensuring the Company delivers a reliable service to customers. The Company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to [jcb-finance.com](https://jcb-finance.com) for the Company's Modern Slavery Statement.

#### **Engaging employees**

JCB Finance adopts a pro-active approach to employee engagement. The management structure provides open channels for employee communication and feedback, and confidential employee surveys are used to ensure employee views are taken into account in decision making.

#### **How stakeholder interests have influenced decision making**

The Company recognises the importance of engaging with stakeholders to help inform strategy and Board decision making. Relevant stakeholder interests, including those of employees, are taken into



account by the Board when it takes decisions. All decisions taken by the Board during the financial year were routine in nature but took account of relevant stakeholder interests, as appropriate. Please refer to the Annual Report and Accounts of the NatWest Group plc for further information on its approach to stakeholder engagement.

## **Lombard North Central PLC – 2023**

### **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2023, the key stakeholder groups remained business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees (“colleagues” being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

### **Our Stakeholders**

The Company’s key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

#### **Customers**

At Natwest Group, we’re working to meet our customers’ needs and provide better, more personalised products and services.

During the year, the Board received regular updates on customer issues through Lombard customer satisfaction surveys, customer feedback and complaint volumes.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

#### **Colleagues**

Colleagues are the heart of NatWest Group’s business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Board decisions are taken with due regard to colleague interests. During the year, the Board received regular updates on employee engagement, including bi-annual engagement surveys and initiatives to promote wellbeing, building colleague capabilities, and promoting diversity & inclusion.

Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Regulators**

NatWest Group operates in a highly regulated market which continues to evolve. As such, we understand the need to have an ongoing, constructive and open dialogue with all relevant regulatory bodies.

Further information on how NatWest Group engages with regulators can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Suppliers**

We foster strong relationships with all our key stakeholders, including our suppliers.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Communities**

As a leading financial firm in the UK, NatWest Group believes we can make a real and positive difference to people's lives. The Company actively adopts the NatWest Group's purpose of championing potential, helping people, families and businesses to thrive. In particular the Company is supporting customers to take action on the risks and opportunities climate change presents and to transition to a low carbon economy.

Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate-related Disclosure Report and the NatWest Group plc 2023 ESG Supplement.

## **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material or of strategic importance to the company or are significant to any of the company's key stakeholders.

Decisions were taken to pay interim dividends to the Company's sole shareholder. These decisions were made after careful consideration of the distributable reserves available to the Company and the effect of the distributions on the Company's long-term success.

Other decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central PLC, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues" being full time, part time, contractors and agency staff employed by NatWest Group plc) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

### **Customers**

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc 2022 Annual Report and Accounts.

### **Colleagues**

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development, and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

### **Suppliers**

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on NatWest Group's Supplier Charter can be found in the NatWest Group plc 2022 Annual Report and Accounts.

### **Communities and environment**

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2022 Annual Report and Accounts, the NatWest Group plc 2022 Climate-related Disclosures Report and the NatWest Group plc 2022 ESG Supplement.

## **Supporting effective Board discussions and decision-making**

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive – continues to influence the Company's Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be impacted.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company, or are significant to any of the Company's key stakeholders.

In December 2022 a decision was taken to pay a final dividend to the Company's sole shareholder. That decision was made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on the Company's long-term success.

Other decisions taken by the Board during the financial year were routine in nature but considered relevant to stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2022 Annual Report and Accounts.

## **Lombard Lessors Limited - 2023**

### **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central PLC, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues" being full time, part time, contractors and agency staff employed by NatWest Group plc) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

### **Customers**

At Natwest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc Annual Report and Accounts.

## **Colleagues**

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development, and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc Annual Report and Accounts.

## **Suppliers**

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter can be found in the NatWest Group plc Annual Report and Accounts.

## **Communities and environment**

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc Annual Report and Accounts, the NatWest Group plc Climate-related Disclosure Report and the NatWest Group plc ESG Supplement.

## **Supporting effective Board discussions and decision-making**

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive – continues to influence the Company's Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be impacted.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company, or are significant to any of the Company's key stakeholders.

On 16 December 2022 a decision was taken to pay a final dividend to the Company's sole shareholder. That decision was made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on Company's long-term success.

Other decisions taken by the Board during the financial year were routine in nature but considered relevant to stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2022 Annual Report and Accounts.

## **Lombard Maritime Limited – 2023**

### **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

## **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2023, the key stakeholder group remained its sole shareholder Lombard North Central PLC, which manages relationships with other stakeholders on behalf of the Company.

### **Our Stakeholders**

The company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

#### **Customers**

At Natwest Group, we're working to meet our customers' needs and provide better, more personalised products and services.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

#### **Colleagues**

Colleagues are the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

#### **Suppliers**

We foster strong relationships with all our key stakeholders, including our suppliers.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

#### **Communities**

As a leading financial firm in the UK, NatWest Group believes we can make a real and positive difference to people's lives.

Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

### **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material or of strategic importance to the Company or are significant to any of the Company's key stakeholders.

During the period a review was carried out over the activities of the immediate parent company, Lombard North Central PLC, and its subsidiaries. Arising from that review it was decided to consolidate businesses where possible to generate simpler and more efficient processes and reporting. As a result, on 1 November 2023, a decision was made to sell the Company's entire lease portfolio to a fellow group undertaking and to cease trading.

On 16 December 2022 and on 15 December 2023 decisions were taken to pay final dividends to the Company's sole shareholder. Those decisions were made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on the Company.

Other decisions taken by the board during the period were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **RBS AA Holdings (UK) Limited – 2023**

### **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2023, the key stakeholder groups remained its subsidiary companies and its sole shareholder.

### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholders are its subsidiary companies who rely on the Company for guidance, oversight and investment, and its sole shareholder, NatWest Group plc. All subsidiary company boards adhere to a framework of expectations developed by the Company which governs the day-to-day operational and governance arrangements of subsidiaries, and their engagement with, reporting to and oversight by the Company. Representatives of subsidiaries provide regular updates to the Board at Board meetings. The Company also engages periodically with its sole shareholder through its formal governance and representatives of NatWest Group Risk and Internal Audit functions attend all Board meetings.

### **Colleagues**

Colleagues are the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

### **Suppliers**

We foster strong relationships with all our key stakeholders, including our suppliers.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## Communities

As a leading financial firm in the UK, NatWest Group believes we can make a real and positive difference to people's lives. The Company holds a number of social impact investments where ESG ("Environmental, Social and Governance") criteria inform investment decisions. Such investments actively contribute to the fulfilment of NatWest Group's purpose to champion potential, helping people, families and businesses to thrive.

The Company invests in Business Growth Fund Limited which provides growth capital for small and mid-sized businesses in the UK and Ireland to actively encourage enterprise and is closely involved in oversight of the company. It also invests in Better Society Capital Limited (previously known as Big Society Capital Limited) which provides finance to organisations that support front-line social sector entities to help them grow and receives regular reports on the investment from its representatives.

Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

### Supporting effective Board discussions and decision-making

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the company, or are significant to any of the Company's key stakeholders.

### Approving dividend distributions

In June and December 2023, the decision was taken to pay interim dividends to the Company's sole shareholder, NatWest Group plc.

### Approving investments

On 8 February 2023, NW A Holdings Limited, a wholly owned subsidiary of the Company, was incorporated. On 13 February 2023, the Company approved the purchase of the whole of the issued share capital of Cushon Holdings Limited ("Cushon") by NW A Holdings Limited. The Company indirectly owns 85% of Cushon, with 15% retained by Cushon management.

### How did the directors fulfil their duties under section 172? How were stakeholder interests considered?

In making these decisions, the directors were mindful of their duties under section 172. The decisions were made after careful consideration of the distributable reserves available to the Company and whether they would support the long-term sustainable success of the Company.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.



## **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2023, the key stakeholder groups remained:

#### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

#### **Customers**

At Natwest Group, we are working to meet our customers' needs and provide better, more personalized products and services.

During the year, the Board received regular updates on customer issues through Company customer satisfaction surveys, customer feedback and complaint volumes.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

#### **Colleagues**

Colleagues are the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

#### **Suppliers**

We foster strong relationships with all our key stakeholders, including our suppliers.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

#### **Communities**

As a leading financial firm in the UK, NatWest Group believes we can make a real and positive difference to people's lives.

Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

## **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of the Company and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company, or are significant to any of the Company's key stakeholders.

This statement describes examples of principal decisions taken by the Board during 2023.

### **Approving dividend distributions**

#### **Factors considered:**

- profitability forecast and budget;
- distributable reserves; and
- capital support deed

#### **What was the decision-making process?**

In June and December 2023, the decision was taken to pay interim and final dividends to the Company's sole shareholder. The Board's decisions were made after careful consideration of the distributable reserves available to the Company and a key focus of Board-level discussions was how surplus capital was being managed.

#### **How did the directors fulfil their duties under section 172? How were stakeholder interests considered?**

Again, in taking decisions, the directors were mindful of their duties under section 172. For the dividend decisions the directors were particularly focused on whether the declaration of a dividend would support the long-term sustainable success of the Company.

#### **How was NatWest Group's purpose considered as part of the decision?**

The Board is aware that in taking decisions on profit reserves distributions, it also needs to consider the financial implications of those decisions in terms of continuing to support customers and maintaining financial stability.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Lombard Technology Services Limited – 2023**

### **Stakeholder engagement and s.172(1) statement**

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to NatWest Group plc strategy and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

## **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

### **Our Stakeholders**

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central PLC, which manages relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest Group employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

### **Customers**

At Natwest Group, we're working to meet our customers' needs and provide better, more personalised products and services.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

### **Colleagues**

Colleagues are the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

### **Suppliers**

We foster strong relationships with all our key stakeholders, including our suppliers.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2023 Annual Report and Accounts.

### **Communities and environment**

As a leading financial firm in the UK, NatWest Group believes we can make a real and positive difference to people's lives.

Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

## **Supporting effective Board discussions and decision-making**

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of the company and the long-term consequences of its decisions. However, directors are mindful that it is not always possible to achieve an outcome which

meets the expectations of all stakeholders who may be impacted, and that there may be impacted stakeholders outside the key groups the Board has identified.

Principal decisions are those decisions taken by the Board that are material or of strategic importance to the company or are significant to any of the company's key stakeholders.

On 18 December 2023 a decision was taken to pay a final dividend to the Company's sole shareholder. That decision was made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on the Company's future.

All other decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Roy Scot Trust PLC – 2023**

### **Stakeholder engagement and s.172(1) statement**

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

### **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

### **Our Stakeholders**

The company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central plc, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

### **Customers**

At NatWest Group, we're working to meet our customers' needs and provide better, more personalised products and services. We want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

### **Colleagues**

Colleagues are at the heart of NatWest Group's business. By supporting them in what they do and by ensuring that NatWest Group is a great place to work with a healthy culture, we can champion their potential and collectively deliver our strategy and purpose.

Information on how NatWest Group engages with colleagues, including details of the colleague listening strategy, performance and reward and diversity, equity and inclusion can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Suppliers**

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## **Communities**

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Further information on communities and environment can be found in the NatWest Group plc 2023 Annual Report and Accounts, the NatWest Group plc 2023 Climate Related Disclosures Report and the NatWest Group plc 2023 ESG Supplement.

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On 1 November 2023, the Board approved the purchase of either all, or part of, the leasing trade and assets of fellow group companies. That decision was made after consideration of the benefits to the Company and to the Company's sole shareholder, Lombard North Central PLC, ensuring compliance with group policies and obtaining local stakeholder approvals.

All other decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2023 Annual Report and Accounts.

## **Care Homes Holdings Limited - 2023**

### **Stakeholder engagement and s.172(1) statement**

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

## **Board engagement with stakeholders**

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

### **Our Stakeholders**

The company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, NatWest Markets Plc, which manages the relationships with other stakeholders on behalf of the Company.

### **Customers**

At Natwest Group, we're working to meet our customers' needs and provide better, more personalised products and services.

During the year, the Board received regular updates on customer issues.

Further information on customers can be found in the NatWest Group plc 2023 Annual Report and Accounts.

### **Colleagues**

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