

Carbon Reduction Plan

Supplier Name: NatWest Group plc
Publication Date: 30th September 2021

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Introduction

NatWest Group plc is publishing this carbon reduction plan (the “Carbon Reduction Plan”) as specified under the Procurement Policy Note (PPN) 06/21 of the UK Government (*Taking Account of Carbon Reduction Plans in the procurement of major government contracts*). Within this Carbon Reduction Plan, we cover our Scope 1, 2 and 3 carbon footprint relating to our Own Operations activities within the UK, including our offshore operations. Scope 3 emissions disclosed here are in line with PPN 06/21 requirements and cover categories 4, 5, 6, 7 and 9; the reported value therefore differs to that in our SECR UK Own Operations table¹ which covers a different range of categories in line with the NatWest Group reporting. Our reporting is in tonnes of carbon dioxide equivalent (tCO₂e) and therefore covers all relevant greenhouse gases compliant with the Greenhouse Gas Protocol methodology requirements.

¹ Published in our 2020 Annual Report and 2020 Climate-Related Disclosure Report, available <https://investors.natwestgroup.com/annual-report>



Commitment to Achieving Net Zero

NatWest Group defines Net Zero Carbon as “*a state where no incremental greenhouse gases are added to the atmosphere, with remaining emissions output being balanced by the removal of carbon from the atmosphere*”.

NatWest Group met our ambition to be Net Zero Carbon across our Own Operations² in 2020.

We achieved this through a combination of emissions reductions, in line with our 1.5-degree science-based target commitment, alongside offsetting NatWest Group residual Scope 1, 2 and 3 (commuting, work from home, business travel, paper, waste and water) emissions through the purchase of internationally recognised TIST Carbon Credits³. TIST projects remove carbon from the atmosphere through tree planting. All TIST carbon credits are dual-validated and verified under the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCB).

NatWest Group understands that carbon offsetting is only an interim solution; however, we believe it's the best way to take accountability for the carbon we emit until it can be eliminated at source.

After having achieved Net Zero Carbon across our Own Operations, our priority now is to focus on becoming Climate Positive across our Own Operations by 2025⁴ so that we offset more carbon than we emit. We plan to achieve this by setting the minimum level of offsets that we will maintain through to 2025 to 120,000 tonnes of carbon dioxide equivalent (tCO₂e), aligned to our 2019 market-based emissions.

Our Net Zero Carbon achievement in 2020 and our ambition to become Climate Positive by 2025 are calculated at NatWest Group-wide level and cover our Own Operations globally. Our Own Operations achievement covers global emissions from Scope 1, 2 and 3 (categories 5, 6 and 7 as well as work from home, paper and water). Our UK (including offshore operations) emissions from Scope 3 categories 4 and 9 (upstream and downstream transportation and distribution) are encompassed by our commitments under the Net Zero Banking Alliance⁵.

Baseline Emissions

Baseline emissions are a record of the greenhouse gases that have been produced in the past prior to the introduction of any strategies by NatWest Group to reduce its greenhouse gas emissions. Baseline emissions are the reference point against which emissions reduction can be measured. NatWest Group define our baseline year as 2019.

² NatWest Group defines "Own Operations" as all entities and facilities either owner or under operational control, covering day to day operation of our sites including data centres we own and operate.

³ TIST projects remove carbon from the atmosphere through tree planting. All TIST carbon credits are dual-validated and verified under the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCB). For more information, please visit <https://program.tist.org/>

⁴ <https://www.natwestgroup.com/our-purpose/environment/own-operational-footprint.html>

⁵ The Net Zero Banking Alliance is a coalition of financial services companies that have pledged to work together to help deliver the Paris Agreement. The Net Zero Banking Alliance is one of the financial services sector coalitions being brought under the banner of the new Glasgow Financial Alliance for Net Zero (GFANZ), spearheaded by Mark Carney, the UK Prime Minister's Finance Advisor for COP26 and UN Special Envoy for Climate Action and Finance.

Baseline Year - 2019⁶	
Greenhouse Gas (GHG) Emissions	UK and Offshore⁷ Total (tCO₂e)
Scope 1	17,445
Scope 2 (location-based)	81,392
Scope 2 (market-based)	12,941
Scope 3 (waste generated in operations; business travel; employee commuting; upstream transportation and distribution; downstream transportation and distribution)	150,533
Total Emissions (location-based)	249,370
Total Emissions (market-based)	180,919

Table 1 Baseline greenhouse gas emissions covering the period between October 2018 - September 2019 for our Own Operations in the UK and Offshore Area.

Additional Details Relating to the Baseline Emissions Calculations

Reporting of emissions is done at NatWest Group level however for the purposes of this plan and PPN 06/21 requirements this Carbon Reduction Plan focuses on UK (including offshore) operations. We have reported on all emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Our emissions baseline year runs from October 2018 – September 2019. The emissions reporting boundary is defined as all entities and facilities either owned or under our operational control.

Emissions reported have been calculated using the Greenhouse Gas Protocol Corporate Standard and associated guidance and cover UK (including offshore) operations for:

- Scope 1 Emissions from fluorinated gas losses and fuel combustion in NatWest Group premises/ vehicles.
- Scope 2 Emissions from electricity, district heating and cooling used in NatWest Group premises.
- Market-based Scope 2 Emissions.
- Scope 3 Emissions associated with waste generated in operations; business travel; employee commuting; upstream transportation and distribution; downstream transportation and distribution.

When converting data to carbon emissions, we use Emission Factors from UK Government Emissions Conversion Factors for Greenhouse Gas Company Reporting (Department for Business, Energy & Industrial Strategy, 2020), CO₂ Emissions from Fuel Combustion (International Energy Agency, 2019) or relevant local authorities as required.

⁶ Our reporting period covers October 2018 - September 2019.

⁷ Offshore area as defined in The Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018.

The values reported in the table above include emission reductions from the use of green electricity across the majority of our portfolio but does not include emission reductions from offsetting in accordance with the GHG Protocol⁸.

To our knowledge there are no material omissions. Independent limited assurance of total reported emissions in tonnes of CO₂e (Scope 1, 2 and 3 location-based emissions) has been provided by Ernst & Young LLP⁹.

Current Emissions Reporting

For our Own Operations within the UK (including offshore), we have reduced our market-based emissions from our 2019 baseline by 23% in 2020, please see Table 2 below.

UK and Offshore ¹⁰ Emissions	2019 tCO ₂ e	2020 tCO ₂ e	YoY
Scope 1	17,445	18,960	9%
Scope 2 (location-based)	81,392	63,166	-22%
Scope 2 (market-based)	12,941	8,709	-33%
Scope 3 (waste generated in operations; business travel; employee commuting; upstream transportation and distribution; downstream transportation and distribution)	150,533	111,663	-26%
Total Location-Based	249,370	193,789	-22%
Total Market-Based	180,919	139,332	-23%

Table 2 NatWest Group UK progress on the 25% emissions reduction target by 2025 (against 2019 baseline) for its Own Operations in the UK and Offshore Areas. Our resorting year of 2020 covers October 2019 - September 2020.

Emissions Reduction Targets

To continue our progress to becoming Climate Positive, we have adopted the following carbon reduction targets for our Own Operations which we aim to meet by 2025. These have been set at the NatWest Group level covering all our international Own Operations activities and therefore apply at both a UK and offshore level.

NatWest Group aims to use resources sustainably, following the key principles of an environmental management system (EMS) by identifying, managing, and monitoring environmental areas and continually improving our approaches.

Our climate targets have been set in alignment with the Paris Agreement as well as UK and devolved government strategies, the United Nations Sustainable Development Goals (UN SDGs) and a circular economy approach to eliminate waste and minimise consumption of finite resources. An outline of our target achievements to date are in Table 1.

Following the exceptional impacts from COVID-19, we are aiming to maintain NatWest Group-wide emissions reductions achieved at the targeted level of 25% by 2025 from our 2019 baseline for Scopes 1, 2 and 3 (categories 4, 5, 6, 7 and 9). We are therefore

⁸ GHG Reporting Protocol Corporate Standard, available <https://ghgprotocol.org/corporate-standard>

⁹ This can be found in our 2020 Annual Report, available <https://investors.natwestgroup.com/annual-report>

¹⁰ Offshore area as defined in The Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018

aiming to decrease our UK (including offshore) carbon emissions over the next five years to 135,690 tCO₂e by 2025 using a market-based approach.

For our Own Operations, we are targeting to maintain our carbon reductions at 25% from a 2019 baseline whilst simultaneously procuring a minimum of 120,000 tCO₂e of carbon offsets to become Climate Positive. This is projected in Figure 1 below.

GHG emissions	Historic progress	2025 targets					
	% change 2014-2019	Baseline year	Baseline totals	2019	2020	2025 target	Change from baseline (%)
Location-based CO ₂ e emissions (Scope 1, 2 and 3) (tonnes)	-61%	2019	195,424	195,424	131,865	-25%	-33%
Location-based CO ₂ e emissions per FTE	-42%		2.93	2.93	2.09		-29%
Scope 1 CO ₂ e emissions (tonnes)*	-33%		20,684	20,684	21,110		2%
Scope 2 market-based CO ₂ e emissions (tonnes)**	-86%		54,182	54,182	14,627		-73%
Scope 2 location-based CO ₂ e emissions (tonnes)***	-65%		125,127	126,127	90,944		-27%
Scope 3 CO ₂ e emissions from business travel, waste, water, paper (tonnes)****			49,613	49,613	19,811		-60%
Energy							
Energy consumption (GWh)	-40%	2015	807	516	410		-49%
Energy productivity (FTE per GWh)			114	129	154	40%	36%
Business travel							
CO ₂ e emissions from business travel (Scope 1 and 3) (tonnes)	70%	2019	43,346	43,346	14,459		-67%
Waste							
Waste generated (tonnes)	-27%	2019	12,716	12,716	9,674		-24%
Waste generated (kg) per FTE per week	7%		4.2	4.2	3.4	-25%	-20%
Percentage of waste diverted from landfill (UK and Ireland)			100%	100%	100%	100%	
Paper							
Paper used (tonnes)	-54%	2015	12,067	6,247	5,345	-70%	-56%

Table 3 Own operations - greenhouse gas emissions reduction targets, covering 2019 - 2025. Progress reported at NatWest Group level and not a UK specific breakdown.

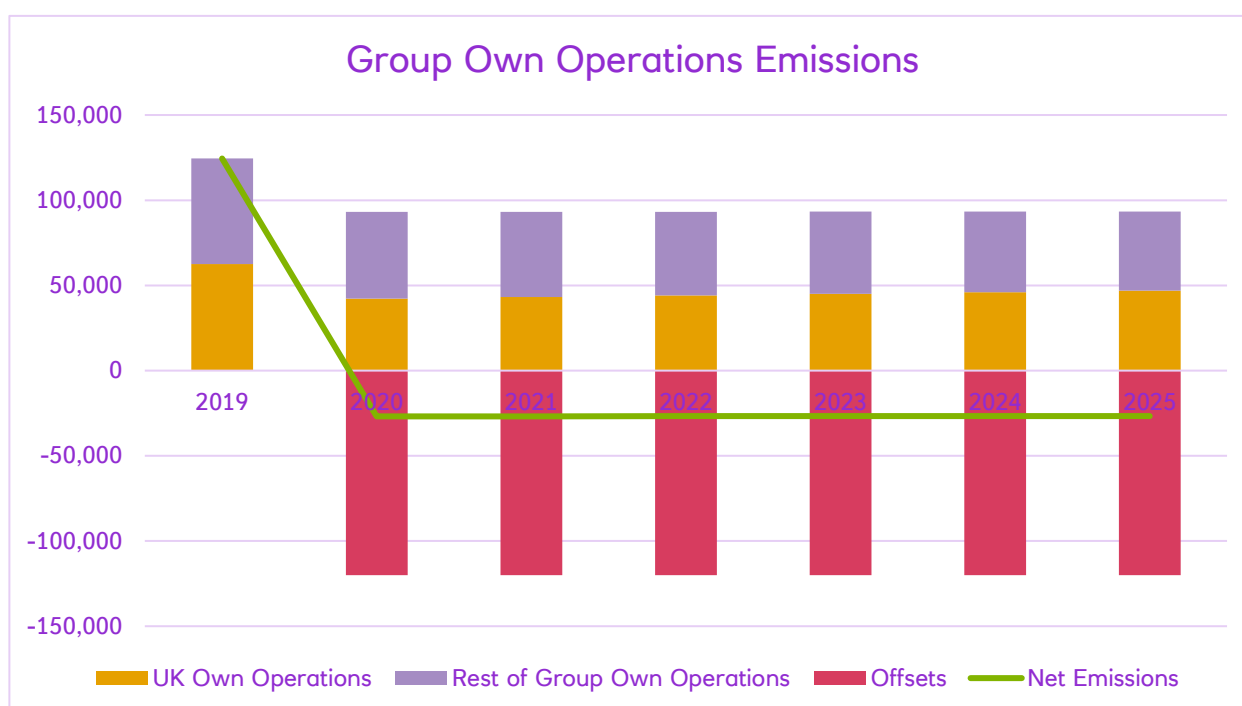


Figure 1 Group emission projection for NatWest Group Own Operations 2025 targets. We are targeting to maintain a 25% reduction from a 2019 baseline by 2025, achieving net zero and aiming to be climate positive through minimum carbon offset purchases of 120,000 tCO₂e each year. The projection covers emissions resulting from covers Scopes 1, 2 and 3 (paper, water, waste, business travel, work from home and commuting). We are currently revisiting our projections to increase accuracy, as we have been impacted by the effects of COVID-19 and the uncertainties this presents.



For further information on the NatWest Group Own Operations baseline emissions footprint, current emissions reporting and emissions reduction targets please refer to our disclosure included in the NatWest Group FY2020 Annual Report and Accounts (“NWG FY2020 ARA”)¹¹, the 2020 Climate-related Disclosure Report¹² and the NatWest Group website¹³.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes equate a 23% reduction for our Own Operations within the UK (including offshore) as outlined in Table 2 above.

The measures will be in effect when performing a contract by NatWest Group under the Procurement Policy Note – Action Note PPN 06/21 (PPN) which sets out how to take account of suppliers’ Net Zero Carbon Reduction Plans in the procurement of major Government contracts¹⁴.

1. During 2020, we were audited by the Carbon Trust and maintained our Zero Waste to Landfill accreditation. This reduces carbon as landfill releases more greenhouse gases than other methods of waste disposal such as recycling, composting and waste to energy.
2. We work with our supplier Go Green Managed Services to refurbish and refresh our existing furniture for reuse both within our building portfolio, and to supply furniture to our colleagues working from home. Surplus furniture is either donated to a network of our chosen charities or sold on to other businesses and the money raised is used for charitable causes. In 2020 we reused 15,573 assets within our portfolio, sold 4,247 assets and donated 7,771 assets to charities. This reduces carbon as fewer new products are required to be made, and fewer products are thrown. It therefore reduces the lifecycle emissions of each product we re-use.
3. By offering digital alternatives to documents such as bank statements, we will reduce colleague and customer dependence on paper communications and the associated waste. This helps to reduce carbon through lower demand for paper as well as generating less waste.
4. UK data centre environments – we replaced the chillers that provide the necessary internal space cooling at one of our data centres, reducing electricity use by more than 600,000 kWh annually. Whilst we consume renewable electricity at these sites, reducing our energy consumption places less stress on the grid network and reduces emissions from transportation and distribution.

¹¹ <https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/19022021/natwest-group-annual-report-accounts-2020-v1.pdf>

¹² <https://investors.natwestgroup.com/~media/Files/R/RBS-IR-V2/results-center/19022021/2020-climate-related-disclosure-report.pdf>

¹³ <https://www.natwestgroup.com/our-purpose/environment/own-operational-footprint.html>

¹⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991622/PPN_0621_Taking_account_of_Carbon_Reduction_Plans__2_.pdf

5. Lighting upgrades – We have implemented lighting upgrades at two of our major office buildings in Belfast and London, resulting in a c.420,000 kWh electricity reduction annually across both locations. Whilst we consume renewable electricity, reducing our energy consumption places less stress on the grid network and reduces emissions from transportation and distribution.
6. UK and RoI retail branch upgrades – We have invested in upgrading the equipment that serves our retail branches during 2019-20, including boiler replacements to more energy efficient models, upgrades to air conditioning units and installation of building management systems (BMS). We estimate that the installation of a BMS in our branches, which optimises all the large energy-using equipment, saves on average 7,000 kWh annually, compared to not having a BMS installed. Increased efficiency of our boilers reduces carbon emissions through lower natural gas consumption whilst air conditioning units lose less refrigerants.
7. We have reserved at least 25% of places in our Entrepreneur accelerator hubs for businesses supporting environmental activities. For example, we are supporting, and in one of our offices trialling, a prototype cup-cleaning and water refilling station, which helps to reduce single use plastics. Through reducing our consumption of single use plastics, emissions are reduced as fewer products are required to be made and also disposed of.
8. We founded the Innovation Gateway Programme in 2015, an alliance of leading UK organisations working to produce innovative solutions to reduce the environmental impact of operations. In 2020, highlights included the installation of solar power on 3 mobile banks and the trial of corrosion monitoring, reducing carbon emissions from chillers at our 250 Bishopsgate office.
9. Set minimum level of offsets we will maintain through to 2025 to 120,000 tCO₂e aligned to our 2019 market-based emissions; instead of 2020 emissions (93,144 tCO₂e), which are lower than 2019.

To help NatWest Group to deliver on our ambition, we have also joined several global cross-sector partnerships.

1. In 2019, NatWest Group was the joint first company globally to commit to all three of the Climate Group Initiatives pledging to:
 - a. RE100 – Use only renewable electricity in our direct global operations by 2025. This will reduce emissions through the use of clean electricity for all of our operations globally.
 - b. EP100 – Improve Energy Productivity 40% by 2025 from 2015. This will reduce emissions through reduced consumption of fuels as well as reduced electricity consumption impacting grid stress and transportation and distribution emissions.
 - c. EV100 – Install electric vehicle charging infrastructure and upgrade our electric vehicle fleet. This will reduce emissions from our employees and our owned fleet of vehicles through fuel switches from petrol/diesel engines to electric.



2. NatWest Group was the first major UK bank to join Partnership for Carbon Accounting Financials (PCAF). NatWest Group joined SBTi following the launch of the Financial Sector Science-based Targets Guidance in 2020. This will help us further reduce emissions through pathway mapping and sector collaboration.
3. NatWest Group has also become a signatory of the World Green Building Council's Net-Zero Carbon Buildings Framework. This provides a structure to help direct and drive efforts to reduce carbon emissions from our buildings.
4. NatWest Group is a member of the Net Zero Banking Alliance, a coalition of financial services companies that have pledged to work together to help deliver the Paris Agreement. This will help us further reduce emissions through pathway mapping and sector collaboration.

Future Carbon Reduction Initiatives

In the future we plan to implement further measures such as:

1. We aim to improve the Energy Performance Certificate (EPC) rating across our buildings and are working with a third-party supplier to carry out energy and condition audits to identify and prioritise investment requirements. Through improving the efficiency of our buildings, we reduce the consumption of all energy types and thus reduce emissions.
2. In branches, when we do purchase furniture, it must be made of 90% recyclable materials, supported through our relationship with suppliers. This will help continue to reduce our emissions as fewer virgin materials will be required to be sourced and created for the products we procure.
3. Continue to identify areas of improvement through data analysis and supplier engagement. This will enable us to continue our carbon reduction journey and share learning experiences within our supply chain.

Declaration and Sign Off

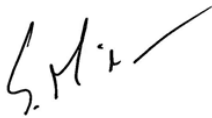
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol Corporate Standard¹⁵ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting¹⁶. Scope 1 and Scope 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting (SECR) requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard¹⁷.

This Carbon Reduction Plan has been reviewed and signed off by:

Simon McNamara, NatWest Group Chief Administration Officer

Signed on behalf of the Supplier:



Date: **29 September 2021**

¹⁵ <https://ghgprotocol.org/corporate-standard>

¹⁶ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

¹⁷ <https://ghgprotocol.org/standards/scope-3-standard>

Annex A: Selection Criteria



Selection Questionnaire		
1	Please confirm that you have detailed your environmental management measures by completing and publishing a Carbon Reduction Plan which meets the required reporting Standard. Provide a link to your most recently published Carbon Reduction Plan here: <ul style="list-style-type: none"> https://www.natwestgroup.com/our-purpose/environment/own-operational-footprint.html 	Yes / No Pass / Fail
2	Please confirm that your organisation is taking steps to reduce your GHG Emissions over time and is publicly committed to achieving Net Zero by 2050.	Yes / No Pass / Fail
Supplier Emissions Declaration:		
3	Baseline Year:	2019
	Scope 1:	17,445
	Scope 2 (location-based):	81,392
	Scope 2 (market-based):	12,941
	Scope 3: categories 4, 5, 6, 7 & 9	150,533
4	Reporting Year:	2020
	Scope 1:	18,960
	Scope 2 (location-based):	63,166
	Scope 2 (market-based):	8,709
	Scope 3: categories 4, 5, 6, 7 & 9	111,663

Table 4 Selection Criteria.

Annex B: Key Terminology



Technical Terminology	NatWest Definition
Greenhouse Gas Protocol	A corporate carbon accounting and reporting standard widely adopted, with methodology available publicly online. Defines carbon emissions into 3 Scopes. https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf .
Scope 1	Direct emissions which result from burning fuel directly on site/as a result of operations e.g., natural gas.
Scope 2 Market-Based	Emissions from consuming electricity which takes into account the green electricity we procure.
Scope 2 Location-Based	Emissions from consuming electricity which does not take into account the green electricity we procure.
Scope 3	Indirect emissions resulting from our upstream and downstream activities e.g., business travel. Consists of 15 categories.
Category 1	Purchased goods and services.
Category 2	Capital goods.
Category 3	Fuel-and energy-related activities not included in Scopes 1 or 2.
Category 4	Upstream transportation and distribution e.g., delivery of our mail.
Category 5	Waste generated in operations.
Category 6	Business travel.
Category 7	Employee commuting.
Category 8	Upstream leased assets.
Category 9	Downstream transportation and distribution e.g., our customers commuting to branches.
Category 10	Processing of sold products.
Category 11	Use of sold products.
Category 12	End-of-life treatment of sold products.
Category 13	Downstream leased assets.
Category 14	Franchises.
Category 15	Investments.
Acronyms	
BMS	Building Management System.
CCB	Climate, Community and Biodiversity Standards.
EMS	Environment Management System.
EPC	Energy Performance Certificate.
GHG	Greenhouse Gas.
PCAF	Partnership for Carbon Accounting Financials.
SBTi	Science-Based Targets Initiative.
SECR	Streamlined Energy and Carbon Reporting.
TCFD	Taskforce for Climate-Related Financial Disclosures.
tCO ₂ e	Tonnes of Carbon Dioxide Equivalent.
UN SDG	United Nations Sustainable Development Goal.
VCS	Verified Carbon Standard.

Annex C: Basis of Reporting

This Carbon Reduction Plan includes calculations and projections of carbon emissions pertaining to NatWest Group. As part of these calculations, assumptions have been made; these are detailed below.

Assumptions within emission projections:

1. We achieve our target of a 25% emission reduction by 2025 with a 2019 baseline.
2. We achieve our commitment to procure a minimum of 120k offsets each year to achieve Net Zero and our Climate Positive aim.
3. Our reporting scope remains as Own Operations, covering Scopes 1, 2 and 3 (water, paper, waste, business travel, commuting and work from home).
4. Scope 3 categories such as up/downstream transportation and distribution as well as financed emissions are excluded as these are not defined within the Own Operations Net Zero and Climate Positive aim. These emission sources are covered by the wider Net Zero Banking Alliance commitment.
5. A baseline recalculation is triggered if a 5% change occurs.

Assumptions within calculations of baseline and reporting year:

1. Reporting system:
 - a. NatWest utilises a third-party software system, Envizi, to capture and record the Group's environmental impact and ensure audit requirements are met. The system calculates Key Performance Indicators (KPIs) from the data entered and can generate reports at any level of the organisation, i.e. supplier, site, city, country, NatWest – Global Level. Data gaps are filled with either accruals based on existing data at each site (performed automatically by Envizi) or extrapolations based on a country or regional level property type intensity per floor area (performed manually by EcoAct and updated at least once per year).
 - b. All data (actual and estimated) is aggregated at a regional level to reflect the total regional consumption. The regional consumption results will be collated to reflect the total NatWest Group footprint.
 - c. CO₂e values are attributed to these sources via an automatic conversion module in the Envizi system. The register of default emission factors is maintained by Envizi and updated annually from key sources (e.g. DEFRA, EPA, IEA, GHG Protocol, eGrid). Market-based emission and bespoke factors are maintained by EcoAct.
2. The principles of NatWest's global environmental performance reporting are as follows:
 - a. Consistent reporting - based upon the main requirements of published standards.
 - b. Transparent reporting - with year-on-year comparable data and relevant explanations.
 - c. Significant reporting - that is material and mutually important for NatWest, internal & external stakeholders.
 - d. Robust and accurate reporting - using local environmental knowledge

where available, utilising the GHG reporting principles and ensuring environmental reporting has been made as appropriate.

- e. Relevant reporting - including all environmental data from the Group's active operational footprint.
3. In a change to the process in previous years the reporting frequency of the environmental data has changed from quarterly in arrears to monthly in arrears. This increased frequency improves the visibility of the data and aids in identifying anomalies sooner.
4. Data assumptions:
- a. Regions outside the UK and Ireland only make significant use of office paper, other paper types are assumed to be minimal.
 - b. Waste data is based on assumptions agreed with the key waste-related suppliers (e.g. average bag or bin weights used instead of actual weighed data for UK general waste). These weights are regularly updated based on sample surveys, and where actual weights are available these are used.
 - c. It is assumed that water is used at all properties.
 - d. It is assumed that all countries use refrigerants for cooling.
 - e. It is assumed that electricity is used at all properties.
 - f. Other third-party business-related travel is deemed out-of-scope (e.g. mail and package courier services).
 - g. All rail and air travel are assumed to be booked through the external provider (BCD), as per NatWest policy – however, expense claims also capture any travel not booked via this approved process.
 - h. The white paper used to calculate the work from home emissions is publicly available on our webpage.

Annex D: Important Information

This Carbon Reduction Plan has been prepared by NatWest Group plc (together with its subsidiaries the 'NatWest Group').

Cautionary Note About Climate Metrics

This Carbon Reduction Plan includes climate metrics, particularly targets, projections, forecasts and other forward-looking climate metrics which merit special caution about their usefulness as they are more uncertain than historical financial information.

There are many significant uncertainties, assumptions and judgements underlying climate metrics that limit the extent to which these metrics are useful for decision-making. The most important of these are:

- Lack of reliable emissions and other important data.
- Quality of historical (emission) data.
- Lack of standardisation, transparency and comparability of climate-related forward-looking methodologies.
- Reliance on assumptions and future uncertainty (calculations of forward-looking metrics are complex and require many methodological choices and assumptions).
- Variation in approaches and outcomes.
- Limitations of climate scenario analysis and the models that analyse them.

Cautionary Note About Forward-Looking Statements

This Carbon Reduction Plan contains '*forward-looking statements*', such as targets, climate scenarios and estimated emissions, emissions reduction, climate projections and forecasts. Words or phrases such as 'anticipate', 'effort', 'estimate', 'believe', 'budget', 'continue', 'could', 'expect', 'forecast', 'goal', 'guidance', 'intend', 'may', 'objective', 'outlook', 'plan', 'potential', 'predict', 'projection', 'seek', 'should', 'target', 'will', 'would' or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements.

Limitations Inherent to Forward-Looking Statements

These statements are based on current plans, expectations, estimates, targets and projections, and are subject to significant inherent risks, uncertainties and other factors, both external and relating to NatWest Group's strategy or operations, which may result in NatWest Group being unable to achieve the current plans, expectations, estimates, targets, projections and other anticipated outcomes expressed or implied by such forward-looking statements. In addition, certain of these disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations, including assumptions and estimates made by management. By their nature, certain of these disclosures are only estimates and, as a result, actual future results could differ materially from those that have been estimated. Accordingly, undue reliance should not be placed on these statements. The forward-looking statements contained in this document speak only as of the date we make them, and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein, whether to reflect any change in our expectations with regard thereto, any change in events, conditions or circumstances on which any such statement is based, or otherwise, except to the extent legally required. This forward-looking statement should not be regarded as a complete and comprehensive statement and should be read together with (i) the 'Risk



Factors' included on pages 345 to 362 of the NatWest Group 2020 Annual Report and Accounts (with special regard to the risk factors in relation to '*Climate and sustainability related risks*' that describes several particular uncertainties, climate and sustainability related risks to which NatWest Group is exposed); (ii) the '*Cautionary statement regarding forward-looking statements*' on page 367 of the NatWest Group 2020 Annual Report and Accounts; and (iii) Section 5.7 (Caution about climate metrics) and the '*Climate-related and other forward-looking statements and metrics*' (page 65) of the NatWest Group's Climate-related disclosure report 2020.