

# Stakeholder engagement

We have a reciprocal relationship with all our stakeholders – knowing that when they succeed, so do we. The insights we gain by listening and engaging with them enable us to improve outcomes for customers, society and the environment. Below we provide some examples of how we collaborate with our key stakeholders to create value.

## How we engage across the company



## How we engage at Board level

### Key ESG topics for our stakeholders

We re-evaluate our key ESG topics annually and refresh where appropriate to ensure that our list continues to be comprehensive, relevant and reflective of our stakeholder groups' perspectives. For this year's assessment we've taken into consideration the evolving landscape and engaged with a number of internal and external stakeholders. The findings guide our reporting and decision-making, ensuring we remain focused on the right issues. This year's review once again confirmed that, as a responsible business, our approach to a broader range of ESG topics is of great significance to our stakeholders.

Read more about our assessment and approach to materiality in relation to our ESG disclosures in our 2022 ESG Disclosures Report.

For further information on how stakeholder considerations influenced the Board's discussions and decision-making, refer to our section 172(1) statement on pages 40 and 41, and our Corporate governance report on page 94.

How we engaged	What we discussed	Outcome of engagements	Challenges we faced
<h3> Customers – the people and businesses we serve</h3>			
<ul style="list-style-type: none"> <li>Supporting businesses through our Accelerator Programme and Specialist Accelerators, as well as Business Builder and Business Insights Hub.</li> <li>Regular, monthly sessions with people with lived experience of vulnerability.</li> <li>A big data study, using customer data to explore the relationship between ethnicity and banking.</li> <li>Carbon Planner tool.</li> </ul>	<ul style="list-style-type: none"> <li>The UK Government's levelling-up agenda for strengthening communities, supporting diverse entrepreneurs, removing barriers to enterprise, providing access to our wide range of partners, business accelerator hubs, and our thought-leadership material.</li> <li>Insights from charitable organisations and those with lived experiences on how our proposed products and propositions work for their circumstances, taking into account their perspectives.</li> <li>Innovative data-led research exploration into the access and some attitudinal analysis of financial products and services in the UK.</li> <li>A free-to-use tool to help UK businesses identify potential cost and carbon savings.</li> </ul>	<ul style="list-style-type: none"> <li>In 2022 we supported 1,300 entrepreneurs via the Accelerator Programme, of which 50% are female-led businesses. New content modules delivered on the cost of trading, financial resilience, and action tools on energy and cost saving.</li> <li>21 products have now been reviewed by the panel and product owners are working through proposed adaptations and changes.</li> <li>The findings were discussed informally with the Bank of England, Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA).</li> <li>Businesses, including those who do not bank with us, have been able to use NatWest Group's free tool to help them identify potential cost and carbon savings.</li> </ul>	<p>Engaging effectively with customers on our climate agenda, while many face significant cost pressures, has been challenging. We believe there is an opportunity for our customers and NatWest Group, because tackling climate change is not only good for the planet and the communities we serve, but good for our business too. However, demonstrating this link is a challenge which requires clear and sustained messaging and engagement.</p> <p>We'll continue to develop our customer climate hub, to bring customers engaging and educational resources on energy efficiency and climate change, as well as our carbon footprint tracking tool in collaboration with Cogo, which allows customers to see a rolling monthly view of their carbon footprint.</p>
<ul style="list-style-type: none"> <li>Meetings with customers during a Board regional visit to Bristol.</li> <li>At a customer 'live lounge' conducted by our Group Sustainable Banking Committee, non-executive directors were joined by our frontline Financial Health and Support telephony team.</li> </ul>	<ul style="list-style-type: none"> <li>A broad range of topics including the impact of rising inflation, firms' sustainability strategies, support for new customers who have fled the invasion of Ukraine and future growth plans.</li> <li>The cost of living crisis, the mental health of frontline colleagues and how to respond to the growing issue of supporting customers in vulnerable situations.</li> </ul>	<ul style="list-style-type: none"> <li>The Board heard about the challenges and opportunities facing these customers and how the bank could best support them. Learnings were taken into the Board's wider approach to assisting customers.</li> <li>Non-executive directors heard customer conversations to better understand the challenges faced by colleagues in supporting customers in vulnerable situations.</li> </ul>	
<h3> Investors – providers of our capital and funding</h3>			
<ul style="list-style-type: none"> <li>Meetings with our senior management, presentations at industry conferences and investor roundtables.</li> </ul>	<ul style="list-style-type: none"> <li>Progress on the delivery of our strategy and future priorities, updates on the financial performance of our business, our funding requirements and deep-dives on business segments.</li> </ul>	<ul style="list-style-type: none"> <li>Institutional equity and fixed income investors and research analysts gained a deeper understanding of our business and were able to provide feedback on our strategic priorities.</li> </ul>	<p>At our 2022 AGM, the resolution to re-elect Frank Dangeard as a director was passed with lower support than expected following a recommendation to vote against by a proxy adviser under their methodology on overboarding. We acknowledged the situation in our post-AGM announcement and re-confirmed the Board's view that Mr Dangeard has sufficient time to devote to NatWest Group. The Chairman also engaged with institutional shareholders to discuss their concerns.</p>
<ul style="list-style-type: none"> <li>The Chairman, Group CEO and Group CFO took part in quarterly results presentations and 169 meetings with our largest investors.</li> <li>The Chairman, Group CEO and other non-executive directors engaged with private investors at two virtual shareholder events.</li> </ul>	<ul style="list-style-type: none"> <li>Progress against strategic priorities, financial performance, interest rate sensitivity, capital returns policy, environmental, social and governance topics, regulation and the macroeconomic environment.</li> <li>As above, plus the business of the 2022 AGM and NatWest Group customer support initiatives under our Retail Banking strategy.</li> </ul>	<ul style="list-style-type: none"> <li>An open dialogue was maintained with institutional equity and fixed income investors, updating investors on progress and keeping the Board informed about their views and priorities throughout 2022.</li> <li>Private investors had the opportunity to engage with Board members, to ask questions prior to voting on the business of the AGM, and to hear from Board members and senior management on current topics.</li> </ul>	

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### Regulators – whose rules and expectations we seek to comply with

<ul style="list-style-type: none"> <li>With regulators, including the PRA, on managing the financial risks from climate change. Including submissions regarding compliance approach taken to regulatory standards and the Bank of England Climate Biennial Exploratory Scenario (CBES).</li> <li>Engagement with the FCA on our implementation of the new Consumer Duty.</li> </ul>	<ul style="list-style-type: none"> <li>The outcomes of climate stress testing of NatWest Group and the management response determined, and how climate-related risks have been integrated within the enterprise-wide risk management framework.</li> <li>High level of importance on achieving good customer outcomes, how we intend to implement the Duty.</li> </ul>	<ul style="list-style-type: none"> <li>Transparency on the NatWest Group's exposure to climate-related risks and the response in order to manage the risk effectively.</li> <li>Transparency on our implementation, consistent with the FCA's stated ambition to iterate on approach with firms.</li> </ul>	<p>We recognise that the success of the Consumer Duty requirements is dependent upon a collaborative approach being taken between firm and regulator. The change in expectations set out by the FCA is in tune with our Purpose and Values. To this end we have committed to close and continuous ongoing engagement with the regulator throughout the implementation period. This will help us to identify where we need to make change to evidence compliance with the guidelines and help make sure this is reflected in our policies and procedures and culturally across the organisation.</p>
<ul style="list-style-type: none"> <li>PRA attendance at July 2022 Board meeting and FCA attendance at February 2023 Board meeting.</li> <li>Non-executive directors engaged with regulators through continuous assessment and proactive engagement meetings.</li> </ul>	<ul style="list-style-type: none"> <li>PRA: 2022 Periodic Summary Meeting outputs; FCA: 2022 Firm Evaluation Letter outputs.</li> <li>Strategy, financial performance, capital distributions, Board and Committee priorities, Board effectiveness, governance, the risk and control environment, financial crime, ring-fenced bank independence, Consumer Duty and the cost of living.</li> </ul>	<ul style="list-style-type: none"> <li>The Board heard from the PRA and FCA on the key messages in their respective letters.</li> <li>Directors gained a better understanding of the regulators' key areas of interest and provided feedback on those topics.</li> </ul>	

### Colleagues – the people who deliver our purpose

<ul style="list-style-type: none"> <li>Our View opinion survey.</li> <li>Wellbeing Champions, Inclusion Champions, Our Colleague Experience Squad and employee-led networks.</li> <li>One of our weekly huddles with UK frontline colleagues.</li> </ul>	<ul style="list-style-type: none"> <li>The results of Our View, which asked for colleague opinion on topics such as purpose, wellbeing, inclusion, leadership and reward.</li> <li>Topics that influence our culture, including wellbeing, new ways of working, diversity, equity and inclusion, colleague capability and remuneration.</li> <li>A spotlight on climate change, focusing on reducing household energy bills and carbon emissions, as well as developing colleagues' capability to have conversations on climate.</li> </ul>	<ul style="list-style-type: none"> <li>Our View September 2022 response rate was one of the highest in the last 10 years. In the face of an unprecedented external environment, our results overall show resilience.</li> <li>Our Wellbeing Strategy was supported by over 1,400 Wellbeing Champions. We continuously support our employee-led networks, which have around 24,000 members globally.</li> <li>Improved colleague awareness of climate issues, the impact of the cost of living and how to talk about these issues with customers.</li> </ul>	<p>The rising cost of living impacted our colleagues creating new challenges for them through rising inflation and energy prices. We provided financial support to the colleagues most likely to be impacted in addition to our normal pay cycle, reflected the economic climate by making a significant investment in our annual pay review effective April 2023 and continue to support colleagues with our suite of financial wellbeing materials. Focusing on our lowest paid colleagues we immediately implemented the changes to the real living wage and also increased our lowest starting salary to £22,000 effective April 2023, an increase of 16% since April 2022.</p>
<ul style="list-style-type: none"> <li>Colleague Advisory Panel (CAP).</li> <li>Meet the Board event, and a range of informal events.</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration, our values, customers in vulnerable situations and future skills.</li> <li>Future challenges and opportunities for the Board, how effectively we are living our purpose, our role in addressing climate change, and supporting future generations.</li> </ul>	<ul style="list-style-type: none"> <li>The CAP continued to provide an important communication channel between the Board and colleagues.</li> <li>Improved dialogue between the Board and colleagues on current issues.</li> </ul>	

### Communities – the places where we have an impact

<ul style="list-style-type: none"> <li>Charity relationships, customer giving channels, colleague fundraising and volunteering.</li> <li>Support for young people through MoneySense, Island Saver, and our new programme with Marcus Rashford, NatWest Thrive.</li> <li>Meetings with the UK Government, devolved administrations, NGOs, think tanks and academia.</li> </ul>	<ul style="list-style-type: none"> <li>How to best help the most vulnerable in society through our colleague and customer giving channels. We facilitated colleague and customer donations, and supported our colleagues to volunteer their skills and expertise, creating positive outcomes for a range of good causes.</li> <li>MoneySense provides curriculum-linked activities for delivery in the classroom, while Island Saver helps young people with money skills and climate change awareness.</li> <li>Our climate-related ambitions, support for customers and businesses through the cost of living crisis, assistance for startups, the Rose Review and our work with female entrepreneurship more widely and help for businesses to recover from COVID-19 and grow.</li> </ul>	<ul style="list-style-type: none"> <li>£7.6 million donations through our mobile app, Reward Account and online donations. The bank, our customers and colleagues together raised over £12 million for three DEC appeals, supporting humanitarian relief efforts in Afghanistan, Ukraine and Pakistan. Our colleagues raised over £3.8 million for good causes and volunteered 76,230 hours.</li> <li>76,086 teachers registered to use MoneySense resources, with 12,028 registering in 2022.</li> <li>We sponsored the UK Pavilion at COP27. We worked with the SME Transformation Taskforce to support SME businesses.</li> <li>A package of support launched for customers, colleagues and communities to help with the rising cost of living.</li> </ul>	<p>Following COVID-19, charities faced challenges in generating income and meeting increased demand. Schools gradually reopened to external volunteers, but new ways of working for colleagues led to a slower-than-anticipated uptake of volunteering opportunities.</p> <p>The rise in the cost of living further impacted people and communities creating new challenges with customer and colleague giving. Stakeholder engagement helped us to better understand the immediate and potential longer-term impacts of the cost of living and to act quickly to support charities and organisations in the community.</p>
<ul style="list-style-type: none"> <li>Meetings with community groups during a Board visit in the southwest of England.</li> <li>Board climate training, led by the University of Edinburgh.</li> </ul>	<ul style="list-style-type: none"> <li>How we live our purpose through community engagement and how future support could best be provided.</li> <li>Managing climate-related institutional change, climate measurement and influencing.</li> </ul>	<ul style="list-style-type: none"> <li>Insights into our work with these groups, a demonstration of the Board's support and the reiteration of the bank's commitment to such projects.</li> <li>Building on directors' foundational climate knowledge with insights into more technical areas.</li> </ul>	

### Suppliers – where we source our goods and services

<ul style="list-style-type: none"> <li>Regular review meetings with key suppliers.</li> <li>Risk management – onboarding new suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Supplier review meetings have a standing agenda point to discuss the Supplier Charter, which includes elements such as modern slavery and human rights issues.</li> <li>We launched a new inherent risk questionnaire to simplify how we interact with our suppliers and stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Non-compliance with the bank policy schedule is dealt with on a case by case basis and includes engaging with the supplier to identify potential remediation measures.</li> <li>Supply Chain Services implemented a new tool for assessing and understanding the risk profile associated to any service. The new Inherent Risk Questionnaire replaced the Service Impact Assessment.</li> </ul>	<p>Where suppliers that underwent the EcoVadis assessment performed below the global average, we are implementing corrective improvement plans to support them in improving their performance on key sustainability topics.</p> <p>We have built objectives into our core strategy to enable our suppliers to improve and help us cultivate a more responsible and diverse supply value chain.</p>
<ul style="list-style-type: none"> <li>Meetings with key suppliers during a Board regional visit to Bristol.</li> <li>Board training on embedding purpose in our supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers' experiences of working with NatWest Group and future opportunities and challenges, including the suppliers' ESG agendas.</li> <li>Embedding our purpose in our supply chain and increasing diversity and inclusion with existing and new suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>The Board gained an external perspective of NatWest Group and strengthened supplier relations.</li> <li>Directors gained insights into how NatWest Group engages with its suppliers, including cost and service, sustainability and stakeholder impacts.</li> </ul>	