

UN Principles for Responsible Banking (PRB) self-assessment reporting

NatWest Group became a founding signatory of the PRB in September 2019. We aim to further align our strategy to the objectives of the 2015 Paris Agreement and the Sustainable Development Goals (SDGs).⁽¹⁾ This is our fourth PRB self-assessment report and, in line with PRB requirements questions 2.1, 2.2, 2.3, and 5.1 are subject to EY limited assurance. Where relevant, our responses to the self-assessment requirements have been completed with reference to our 2022 UN PRB reporting that can be found on natwestgroup.com. Read more in the 2022 ESG Frameworks Appendix.

Key: UN = 2022 UN PRB reporting, A= 2023 Annual Report and Accounts, C= 2023 Climate-related Disclosures Report, E= 2023 ESG Disclosures Report, W= NatWest Group Website, P= Pillar 3 Report, B = 2023 Sustainability Basis of Reporting

Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>Principle 1: Alignment</p>		
<p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 Business Model Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.</p>	<p>Our business model is described in: Principle 1.1 UN p2</p> <p>For 2023 updates on our business model refer to:</p> <ul style="list-style-type: none"> - Our strategic framework A p9 - Our investment case A p10 - Shareholder value A p11 - Our business model A p12 to 13 - Delivering our strategy A p18 to 19 - Key performance indicators A p20 to 23 - Business performance A p44 to 47 - NatWest Group's climate strategy A p48 to 59 - Risk overview A p60 to 65 - Risk and capital management A p172 to 282 <p>For 2023 updates on our portfolio by segment, sector and cross border exposure refer to:</p> <ul style="list-style-type: none"> - Risk and capital management, credit risk A p172 to 282 - Credit Risk Quality P p62 to 75 - Heightened climate-related risk sectors C p56 to 57 - Estimates of financed emissions linked to NatWest Group's balance sheet C p19, 22, 25, 27, 29, 68 - Estimates of facilitated emissions linked to NatWest Group's underwriting activities C p73 - Estimates of managed emissions linked to NatWest Group's assets under management C p86 	<ul style="list-style-type: none"> P Annex XV: Credit Risk quality p62 to 75 C Estimated emissions and associated methodologies p66 to 73

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Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>1.2 Strategy alignment Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> <p>Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these? <input checked="" type="checkbox"/> UN Guiding Principles on Business and Human Rights <input checked="" type="checkbox"/> International Labour Organization fundamental conventions <input checked="" type="checkbox"/> UN Global Compact <input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk – please specify which ones:</p> <p>TCFD – Climate Related Financial Disclosures <input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – please specify which ones:</p> <p>Annual Modern Slavery & Human Trafficking Statement <input type="checkbox"/> None of the above</p>	<p>NatWest Group champions potential, helping people, families, and businesses to thrive. Our strategy is to grow our business by anticipating and meeting our customers’ needs, using data and technology to ensure we are simple to deal with, alongside a disciplined approach to cost, investment and capital allocation. Together these actions aim to deliver sustainable long-term value for our shareholders.</p> <p>For our 2020 strategy refer to: – Principle 1.2 UN p3</p> <p>Consistency with the Sustainable Development Goals⁽¹⁾</p> <p>Our Climate, Learning and Enterprise ambitions are aligned to the SDGs where we believe we can make a positive contribution, particularly 1, 4, 5, 7, 8, 10, 13 and 17. In 2023 we mapped our new financial wellbeing target to SDGs 1, 8 and 10. For more information on our SDG mapping refer to: – Collective Action E p10 to 11 – Building financial capability and wellbeing E p13 – Supporting Enterprise E p18 – Climate impact C Refer to Contents – Non-financial and sustainability information statement A p68 to 69</p> <p>Our Climate and Sustainable Funding and Financing Inclusion (CSFFI) Criteria, effective from 1st January 2023, includes references to the SDGs as indicative guidance of the proposed aim of each criteria category. W</p> <p>Our Green, Social and Sustainability Financing Framework includes references to the SDGs as indicative guidance for the proposed aim of each ‘Eligible Green Asset’ and ‘Eligible Social Asset’ definitions. Our 2022 Green, Social and Sustainability Bonds Allocation and Impact Report was published in April 2023 W</p> <p>Coutts Asset Management map investment engagements to SDGs to identify key focus areas, please refer to: – Private banking and responsible investing E p24</p> <p>Alignment to 2015 Paris Agreement</p> <p>NatWest Group has an ambition to be net zero by 2050 across our financed emissions, assets under management (AUM) and operational value chain, we have the ambition to at least halve the climate impact of our financing activity by 2030, against a 2019 baseline and align with the 2015 Paris Agreement. For 2023 updates refer to: – Our Climate Strategy C p4 – Risks related to our climate ambitions C p5 – Our Climate Progress C p6 and p7 to 12</p> <p>For details on how Coutts Asset Management aligns its net zero by 2050 ambition with the 2015 Paris Agreement refer to: – Introduction to Asset management and our net zero strategy C p76 to 78</p> <p>Consistency with national and regional frameworks/guidance</p> <p>We seek to support several frameworks and external guidance. For more on signatories, memberships and accreditations refer to: – Collective action E p10 to 11 – Spotlight on developing frameworks C p12 – Climate transition plan – Industry engagement C p33 – External commitments and reporting standards W</p>	<p>W Climate and Sustainable Funding and Financing Inclusion Criteria Version 1.4 (effective 01-Jan-23)</p> <p>W Green, Social and Sustainability Financing Framework</p> <p>W 2022 Green, Social and Sustainability Bonds Allocation and Impact Report</p> <p>W External commitments and reporting standards NatWest Group</p> <p><small>(1) The Sustainable Development Goals (SDGs) are a collection of 17 non-legally binding interlinked global goals set forth by the UN for countries and governments. These are included only as indicative guidance for the proposed aim of each area of focus and NatWest Group makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to whether the areas of focus further the objective or achieves the purpose of the indicated SDG.</small></p>

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Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.1 Impact Analysis (Key Step 1) Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):</p>	<p>For details of our 2020 Strategy and 2022 Board Strategy updates refer to:</p> <ul style="list-style-type: none"> – Principle 2.1 UN p4 <p>For 2023 updates to our Board Leadership and company strategy refer to:</p> <ul style="list-style-type: none"> – Stakeholder engagement A p26 to 29 and Stakeholder focus areas A p30 to 43 – Key activities in 2023 in Governance at a glance A p89 – Principal areas of Board focus A p95 – Board oversight of our strategic framework A p99 	<p>E Key ESG topics for our stakeholders p9</p>
<p>a) Scope: What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p>	<p>Scope: Geography: We are a UK-focused banking organisation, serving over 19 million customers, with business operations stretching across retail, commercial and private banking markets with a range of banking products.</p> <p>Details of our portfolio by segment, sector and cross border exposure can be found in our Credit Risk section of our 2023 Annual Report and Accounts as indicated below, and pages 66 to 68 of our 2023 Pillar 3 Report. For details of our portfolio by segment, sector and cross border exposure refer to:</p> <ul style="list-style-type: none"> – Risk and capital management A p180 to 241 <p>For more details on our approach, scope, and controls for certain sustainability metrics included in the 2023 reporting suite, refer to the 2023 Sustainability Basis of Reporting. The definitions, scope and exclusions, and methods used to prepare these metrics has been used as the Reporting Criteria against which the measurement and presentation of these metrics was evaluated by Ernst & Young LLP (EY) as part of their assurance. B</p> <p>Business Areas: Our strategy is set at the NatWest Group level, with the main business areas being Retail Banking, Private Banking, and Commercial and Institutional. Please refer to:</p> <ul style="list-style-type: none"> – Our business model A p12 to 13 – Business performance A p44 to 47 <p>Climate: The scope of our ambition to be a leading bank in the UK, helping address the climate challenge extends across NatWest Group.</p> <p>For more on scope and limitations please refer to:</p> <ul style="list-style-type: none"> – Principle 2.1a for our 2030 climate ambitions, and scope limitations. UN p5 – Our climate strategy C p4 – Climate transition plan – Scope and approach^ C p19, p67 to 68 – Asset management and net-zero^ C p76 to 78 	<p>C Climate transition plan p19 to 21, p32 to 36</p> <p>C Assets under Management p74 to 81</p> <p>B 2023 Sustainability Basis of Reporting</p>

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Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>a) Scope (continued)</p>	<ul style="list-style-type: none"> – Task Force on Climate-related Financial Disclosures (TCFD): Climate-related disclosures overview A p56 to 57 – Our 2023 Sustainability Basis of Reporting climate metrics 1-9 B p4 to 13 <p>^ Not within the scope of EY assurance</p> <p>Learning/Financial Wellbeing: The scope of our ambition is UK focused, working to create a society which is financially confident and resilient. Our ambition is to empower people, both customers and non-customers, to take control of their finances and futures, and to make the most of their money.</p> <p>For more on scope and limitations please refer to:</p> <ul style="list-style-type: none"> – Principle 2.1a UN p6 – Our 2020 – 2023 financial capability targets E p13 – Our new 2023 – 2027 financial wellbeing target E p13 – Our 2023 Sustainability Basis for Reporting – metrics 15, 16 and 17 on B p19 to 20 <p>Enterprise: We support enterprise through the non-financial support we provide, available to both customers and non-customers, covering UK businesses of all sizes and across all brands within NatWest Group. Our ambition is to help more people start, run and grow their own business than ever before, helping them achieve success and ultimately grow and contribute to a strong national economy.</p> <p>For more on scope and limitations refer to:</p> <ul style="list-style-type: none"> – Principle 2.1a UN p6 – Our 2023 performance highlights against our 2023 ambitions E p18 and 19 – Our 2023 Sustainability Basis for Reporting – metrics 12, 13, 14 B p16 to 18 <p>ESG highlights at a glance E p6</p>	<p>E 2023 ESG Disclosures Report 13 to 17 and p18 to 20</p> <p>B Enterprise and Learning metrics p16 to 20</p>
<p>b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope:</p> <p>i) by sectors & industries⁽¹⁾ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.</p>	<p>Portfolio composition:</p> <p>As referenced in answer to 1.1, our financial summaries, segment summary income statements refer to:</p> <ul style="list-style-type: none"> – Financial review A p70 to 83 <p>Climate: For more portfolio information refer to:</p> <ul style="list-style-type: none"> – Climate and sustainable financing and funding C p17, metric 2, B p5 – Heightened climate-related risk sectors exposure C p56 to 57, metric 4, B p7 – Estimated emissions and associated methodologies C p67 to 72 – Estimates of facilitated emissions from corporate bond underwriting[^] C p73 – Scope 3 financed CO₂e (MtCO₂e/year) emissions, including our approach to estimating financed emissions for the sectors in scope of assurance: Residential mortgages, corporate real estate, electricity generation, oil and gas, agriculture – primary farming, aviation, and retail and leisure B p9 to 10 – Harmful activities (Credible Transition Plan): Oil and gas majors and in-scope coal exposure, metric 3, B p6 – Weighted average carbon intensity (WACI) of Natwest Group Managed Assets[^] C p77 <p>^ Not within the scope of EY assurance</p> <p>Key: UN = 2022 UN PRB reporting, A= 2023 Annual Report and Accounts, C= 2023 Climate-related Disclosures Report, E= 2023 ESG Disclosures Report, W= NatWest Group Website, P= Pillar 3 Report, B = 2023 Sustainability Basis of Reporting</p>	<p>A Financial statements p285 to 304</p> <p>C Estimated emissions and associated methodologies p67 to 72</p> <p>C Assets under Management p74 to 86</p> <p>B Climate metrics p4 to 13</p>

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Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>b) Portfolio composition (continued)</p>	<p>Learning/Financial wellbeing and Enterprise: For more information on portfolio composition refer to: Principle 2.1b UN p8</p>	<p>E Building financial capability and wellbeing p13 to 16 Supporting enterprise p18 to 20 B Enterprise and Learning metrics p16 to p20</p>
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis. This step aims to put your bank's portfolio impacts into the context of society's needs.</p>	<p>As referenced in answer 1 and 2.1 we are a UK-focused banking organisation. For more on challenges, priorities and the stakeholders engaged, refer to:</p> <ul style="list-style-type: none"> – Section 172(1) statement A p24 to 25 – Stakeholder engagement A p26 to 29 – Stakeholder focus areas A p30 to 43 – Key ESG topics for our stakeholders E p9 – Principal areas of Board focus – sustainable transitions and progress against climate targets A p95 <p>Please also see answers 3 and 4.</p>	
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.</p>	<p>The two areas prioritised for target setting (in line with PRB guidance) are:</p> <p>Climate: We have an ambition to be net zero by 2050 across our financed emissions, assets under management (AUM) and our operational value chain. This is supported by our 2030 ambitions. Refer to:</p> <ul style="list-style-type: none"> – Our climate strategy A p48 – Climate transition plan – Scope and approach^ C p19 <p>^ Not within the scope of EY assurance</p> <p>Learning/Financial Wellbeing: During 2023, we set an ambition to help 10 million people, per year, manage their financial wellbeing by 2027. Our new ambition is baselined against c.6m customers we supported to manage their financial wellbeing for the year ended 31 December 2023. Refer to:</p> <ul style="list-style-type: none"> – Building financial capability and wellbeing E p13 to 14 <p>In addition to these two areas, ambitions for Enterprise can be found on:</p> <ul style="list-style-type: none"> – Supporting Enterprise E p18 to 19 	<p>C Strategy and Climate Transition Plan p14 to 44 E Building financial capability and wellbeing p13 to 16 Supporting enterprise p18 to 20 B Enterprise and Learning metrics p16 to p20</p>

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Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</p>	<p>Climate:</p> <p>For our 2023 progress against our climate targets and ambitions refer to:</p> <ul style="list-style-type: none"> – Exposure to in-scope coal customers C p6 – Exposure to in-scope oil and gas major customers C p6 – Climate and sustainable funding and financing C p17 – Financing activity – Climate transition plan – progress update[^] C p20 to 21 – Products, services and business model changes[^] C p22, 25, 27, 29 – % of UK mortgage customers' homes rated as EPC C or higher C p23 – Reduction in emissions in our direct own operations C p42 – Heightened climate-related risk exposure C p56 to 57 – AUM Climate transition plan – progress in 2023[^] C p77 <p>ESG policies and downloads repository for the Environmental, Social & Ethical (ESE) and Reputational Risk Management page for ESE sector risk acceptance criteria W</p> <p>For details on the calculation methodology for the performance indicators refer to: 2023 Sustainability Basis of Reporting B p4 to 13</p> <p>[^] Not within the scope of EY assurance</p> <p>Enterprise:</p> <p>Impacted customer groups are entrepreneurs and SMEs. Refer to:</p> <ul style="list-style-type: none"> – Our 2023 ambitions and performance highlights in Supporting enterprise E p18 <p>For more details on progress against our enterprise ambitions, read Supporting Business and Enterprise E p18 to 20</p> <p>For detail on the approach, scope, and controls of the performance indicators for Enterprise see B p16 to 18</p> <p>Learning/Financial Wellbeing:</p> <p>Customers and non-customers face the biggest impact. Refer to:</p> <ul style="list-style-type: none"> – Our 2023 ambitions and performance highlights in Building financial capability and wellbeing E p13 <p>For more details on progress against our Learning/financial wellbeing ambitions, read Building financial capability and wellbeing E p13 to 16.</p> <p>For details on the approach, scope, and controls of the performance indicators for Learning see B p19 to 20</p>	<p>C Strategy and Climate Transition plan p13 to 44</p> <p>Assets under Management p74 to 86</p> <p>W ESE & Reputational risk management</p>

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Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

- | | | | |
|--------------------------|---|---|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate, Learning/Financial Wellbeing and Enterprise correlate with PRB impact areas climate change mitigation, financial health & inclusion, decent employment.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

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Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>2.2 Target Setting (Key Step 2) Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p> <p>You can build upon the context items under 2.1.</p>	<p>Refer to Principle 1.2 of this document for how NatWest Group's strategy strives to align with the 2015 Paris Agreement, SDGs, and national and international frameworks.</p> <p>For a detailed summary with examples of Climate, Enterprise and Learning/Financial wellbeing alignment refer to:</p> <ul style="list-style-type: none"> - Principle 2.2 UN p15 - Collective action E p10 to 11 <p>Learning/Financial Wellbeing:</p> <ul style="list-style-type: none"> - During 2023, we set an ambition to help 10 million people, per year, manage their financial wellbeing by 2027. Our new ambition is baselined against c.6m customers we supported to manage their financial wellbeing for the year ended 31 December 2023. This target strives to make a positive impact to SDGs 1, 8 and 10. As with our 2020 – 2023 financial capability targets, this new ambition continues to align with the Money & Pensions Service UK Financial Wellbeing Strategy. - Read more about the new ambition in our Building financial capability and wellbeing section E p13 	<ul style="list-style-type: none"> E Building financial capability and wellbeing p13 to 16 Supporting enterprise p18 to 20 B Climate metrics p4 to 13 Enterprise and Learning metrics p16 to p20

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<p>b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p> <p>You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.</p> <p>A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.</p> <p>If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:</p> <table border="1" data-bbox="131 1103 487 1243"> <thead> <tr> <th>Impact area</th> <th>Indicator code</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Climate change mitigation</td> <td>A.1.1</td> <td>See below</td> </tr> <tr> <td>A.1.2</td> <td>See below</td> </tr> <tr> <td>A1.4</td> <td>See below</td> </tr> </tbody> </table> <p>In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.</p>	Impact area	Indicator code	Response	Climate change mitigation	A.1.1	See below	A.1.2	See below	A1.4	See below	<p>Climate:</p> <p>We have an ambition to be net zero by 2050 across our financed emissions, assets under management (AUM) and operational value chain. For details of our ambitions to 2025 and 2030 and their baselines (predominantly 2019) refer to:</p> <ul style="list-style-type: none"> – Principle 2.2b UN p16 – Our climate strategy C p4 – Risk related to our climate ambitions C p5 <p>For our 2022 responses to PRB’s climate indicator codes A.1.1, A1.2, A1.4 refer to 2.2b:</p> <ul style="list-style-type: none"> – Principle 2.2b UN p17 <p>For 2023 updates to A1.4: Portfolio analysis: Has your bank analysed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio? refer to:</p> <ul style="list-style-type: none"> – Climate transition plan – Targets C p67 <p>Enterprise:</p> <p>For details of our Enterprise ambitions set 1 January 2023 – 31 December 2023 refer to:</p> <ul style="list-style-type: none"> – Supporting Enterprise E p18 <p>Learning/Financial Wellbeing:</p> <p>During 2023, we set an ambition to help 10 million people, per year, manage their financial wellbeing by 2027. Our new ambition is baselined against c.6m customers we supported to manage their financial wellbeing for the year ended 31 December 2023. For details of our two financial capability targets set 1 January 2020 – 31 December 2023, and our new financial wellbeing target through to 2027 against a 2023 baseline refer to:</p> <ul style="list-style-type: none"> – Building financial capability and wellbeing E p13 – Principle 2.2b UN p16 	<p>UN 2.2 b) Baseline p16</p> <p>C Key levers to support the transition to net zero p17</p> <p>Assets Under Management p74 to 86</p>
Impact area	Indicator code	Response										
Climate change mitigation	A.1.1	See below										
	A.1.2	See below										
	A1.4	See below										

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<p>c) SMART targets: (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	<p>Climate: For details of our 2030 targets and ambitions refer to: Principle 2.2c UN p18</p> <p>We expect to achieve our Scope 1 and 2 Own Operations ambitions and targets. With regards to our 2030 Scope 3 financed emissions ambitions, while UK government policies are expected to provide incentives for customer transition and technology development, delays to a range of net zero related UK government policies indicate the pace of implementation is slower than required for the net zero transition as outlined in the UK Climate Change Committee’s (UK CCC) sixth carbon budget, issued in 2020. The UK CCC June 2023 Progress report to Parliament states that the rate of emissions reduction will need to significantly increase for the UK to meet its 2030 commitments, and continued delays in policy development and implementation mean achievement is increasingly challenging. Accordingly, we consider achievement of the following ambitions increasingly challenging: (i) 50% of our mortgage portfolio of EPC rating of C or above by 2030 and (ii) halving the climate impact of our financing activity by 2030, against a 2019 baseline. We will continue to review our climate ambitions and targets as the external environment develops.</p> <p>Learning/Financial wellbeing: For details of our targets, including our new financial wellbeing target and KPIs refer to:</p> <ul style="list-style-type: none"> – Building financial capability and wellbeing E p13 – Our 2023 Sustainability Basis for Reporting – metrics 15, 16 and 17 on B p19 to 20 <p>Enterprise: For details of our Enterprise ambitions and KPIs refer to:</p> <ul style="list-style-type: none"> – Supporting enterprise E p18 to 20 – Our 2023 Sustainability Basis for Reporting – metrics 12, 13, 14 B p16 to 18 	<p>C Key levers to support the transition to net zero p17 to 18</p> <p>E Building financial capability and wellbeing p13 to 17 Supporting enterprise p18 to 20</p> <p>B Enterprise and Learning metrics p16 to p20</p>
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	<p>Each ambition is set within a time frame (see 2.2b and c) and working groups set projections, monitor progress and take action as appropriate. Progress is communicated quarterly and in our year end reporting and is responsive to external factors. Read more on enterprise and capability measures and targets for 2024 in the 2023 Annual Report and Accounts.</p> <p>Climate: For 2023 actions that we have taken refer to:</p> <ul style="list-style-type: none"> – Our Climate transition plan C p19 to 44 – Scenario analysis overview and progress C p50 to 54 – Assets under Management and net zero C p76 to 77 	<p>C Assets under Management p74 to 86</p> <p>E Key ESG topics p9</p> <p>A Report of the Group Sustainable Banking Committee p122 to 126</p> <p>A Annual bonus performance measures and targets for 2024 p151</p>

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Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it)	... second area of most significant impact: ... (please name it)	(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)
	Climate	Learning/Financial Wellbeing	Enterprise
Alignment	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes
	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress
	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Yes
	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress	<input checked="" type="checkbox"/> In progress
	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Yes
	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress	<input type="checkbox"/> In progress
	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes
	<input type="checkbox"/> In progress	<input checked="" type="checkbox"/> In progress	<input checked="" type="checkbox"/> In progress
	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>2.3 Target implementation and monitoring (Key Step 2) (continued)</p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.</p> <p>Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.</p>	<p>For our performance against targets and ambitions in 2023 refer to:</p> <ul style="list-style-type: none"> – ESG highlights at a glance E p6 to 7 <p>Climate:</p> <p>For more detail on our implementation and monitoring of climate targets and ambitions refer to:</p> <ul style="list-style-type: none"> – Climate progress highlights C p6 – Climate and sustainable funding and financing C p17 – Climate transition plan – scope, approach and progress update[^] C p19 to 21 – % of our UK mortgage customers’ homes rated as EPC C or higher C p23 – % reduction in emissions in our direct own operations C p42 to 43 – Heightened climate-related risk exposure C p56 to 57 – Financed emissions and progress towards our SBTi targets C p68 – Assets under management Climate transition plan – progress update[^] C p77 <p>[^] Not within scope of EY assurance</p> <p>As per Principle 2.2c above, we consider achievement of the following ambitions increasingly challenging: (i) 50% of our mortgage portfolio of EPC rating of C or above by 2030 and (ii) halving the climate impact of our financing activity by 2030, against a 2019 baseline. We will continue to review our climate ambitions and targets as the external environment develops.</p> <p>Learning/Financial wellbeing:</p> <ul style="list-style-type: none"> – Our two financial capability targets set from 1 January 2020 – 31 December 2023 have been met in the year and have now retired. With the successful achievement of these targets, we now aim to support people, i.e. customers and non-customers, to manage their financial wellbeing and reach their financial goals through digital tools and personalised engagements. This ambition is based on helping people with our existing financial wellbeing tools and functions. <p>For our new financial wellbeing target announced in July 2023, refer to:</p> <ul style="list-style-type: none"> – Building financial capability and wellbeing E p13 to 16 <p>Enterprise:</p> <ul style="list-style-type: none"> – Our Enterprise ambitions are set each year from 1 January – 31 December. For our 2023 performance highlights, refer to: Supporting enterprise E p18 <p>Refer also to our 2023 Sustainability Basis of Reporting in Principle 2.1b B p16 to 20</p>	

(1) Historic values are updated from values reported in 2021. This is due to updated bills, data provision and extrapolations.

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>Principle 3: Clients and Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Client engagement Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p> <p>This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank.</p>	<p>We have a range of policies and practices in place to promote responsible relationships with our customers and/or suppliers. These include:</p> <ul style="list-style-type: none"> - Environmental, social and ethical risk framework and risk acceptance criteria W - Our Human Rights Position Statement W - Modern Slavery & Human Trafficking annual statement (2022 statement published in June 2023) W - Investing responsibly W - Coutts ESG-related exclusion policy (updated November 2023) W - Financial crime E p54 - Environmental, social and ethical risk management E p55 to 56 <p>Opportunity examples are covered in Principle 3.2 Refer also to Principle 5.3.</p>	<ul style="list-style-type: none"> E Collective Action p10 to 11, Supporting our customers and communities p12 to 37 W ESE & reputational risk management NatWest Group W Human rights and modern slavery NatWest Group W Responsible Investing W ESG-related Exclusions Policy (coutts.com)

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>3.2 Business opportunities Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).</p>	<p>At NatWest Group we are supporting our customers to develop more sustainable practices, helping corporates adapt to evolving market expectations and capitalise on new opportunities.</p> <p>For some examples refer to:</p> <ul style="list-style-type: none"> – Supporting our customers and communities E p12 to 37 – Climate-related opportunities C p16 – Climate transition plan, including support for customers’ transition C p19 to 44 – Green, Social and Sustainable Bond (GSS) Framework W & E p21 and 23 – Read more about Retail Banking, Private Banking, Corporate and Institutional A p32 to 34, 44 to 47 – Refer to answer 1.2 for SDG alignment 	<ul style="list-style-type: none"> W Green, Social and Sustainability Financing Framework W 2022 Green, Social and Sustainability Bonds Allocation and Impact Report
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.</p>		
<p>4.1 Stakeholder identification and consultation Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups⁽¹⁾) you have identified as relevant in relation to the impact analysis and target setting process? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/ results achieved and how they fed into the action planning process.</p>	<p>For examples of consultation with different stakeholders refer to:</p> <ul style="list-style-type: none"> – Section 172(1) statement A p24 to 25 – Stakeholder engagement A p26 to 29 and Stakeholder focus areas A p30 to 43 – Key ESG topics for stakeholders E p9 – Collective action E p10 to 11 <p>Across Climate, Enterprise and Learning/Financial Wellbeing a wide range of stakeholder engagement examples can be found, refer to:</p> <ul style="list-style-type: none"> – Supporting our customers and communities E p12 to 37 – Climate transition plan – Industry engagement C p33 	<p>(1) Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations.</p>

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>		
<p>5.1 Governance Structure for Implementation of the Principles Does your bank have a governance system in place that incorporates the PRB? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Please describe the relevant governance structures, policies and procedures your bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about</p> <ul style="list-style-type: none"> – which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), – details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as – remuneration practices linked to sustainability targets. 	<p>Our Board has responsibility for setting and approving strategy and for approving strategic targets. As such, sustainability and PRB are governed at the highest level by the Board. Read more on UN 5.1</p> <p>For more information refer to:</p> <ul style="list-style-type: none"> – How our corporate governance framework, roles and responsibilities support our strategy and ESG oversight E p50. Details of committees relevant to PRB are covered in this chart and include the below. – NatWest Group plc Board: responsible for promoting the long-term sustainable success of NatWest Group and the setting of strategic (including ESG) aims. The Board establishes NatWest Group’s purpose, values and strategy and leads the development of NatWest Group culture. For more information on the 2023 activity refer to A p88 to 170: <ul style="list-style-type: none"> – Howard Davies is Chairman of the Board. On 15 April 2024, Howard Davies will step down from the Board and will be succeeded by Rick Haythornthwaite as Chair of NatWest Group. Read more in Chairman’s introduction A p88 – Group Sustainable Banking Committee (SBC): Supports the Board in overseeing and challenging actions taken by management to run NatWest Group as a sustainable business, including challenging ESG progress and monitoring commitments to the UN Principles for Responsible Banking. For more information on the 2023 activity refer to: <ul style="list-style-type: none"> – Report of the Group Sustainable Banking Committee A p122 to 126 – The Terms of Reference for the SBC (updated in 2023) W – ESG Disclosure Steering Group: operating under the Group CFO’s delegated authority, the steering group reviews and approves ESG-related external disclosures. – Climate Change Executive Steering Group: chaired by the Director, Strategy, Corporate Development & Sustainability. Responsible for delivery and implementation of NatWest Group’s climate strategy (including climate transition plan) and commitments, ensuring a One Bank approach. For more information on climate governance refer to: <ul style="list-style-type: none"> – Climate governance – Management responsibilities C p65 – Group Performance and Remuneration Committee: reviews and approves performance measures, including those relating to ESG and purpose activity, performance assessment and remuneration arrangements. For more information on 2023 activity refer to: <ul style="list-style-type: none"> – Governance A p127 to 140 – Annual remuneration report A p141 to 161 – Aligning executive pay with ESG performance and our strategy E p51 – For details of the strategic KPIs in annual bonus for 2023, including climate, enterprise and capability and the Executive director remuneration outcomes and annual bonus scorecard outcome for 2023, refer to A p143 to 145 <p>Board Training:</p> <p>In October 2023, the Board received its annual climate and environmental training session, which was focused on Nature and Biodiversity due to the importance and pace of development relating to this topic. For more information refer to:</p> <ul style="list-style-type: none"> – Climate governance – Board oversight C p62 to 63 	<ul style="list-style-type: none"> A 2023 Annual Report and Accounts p88 to 170 C Governance p61 to 65 E 2023 ESG Disclosures Report p48 to 51 W Group Sustainable Banking Committee NatWest Group

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>5.2 Promoting a culture of responsible banking: Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	<p>For examples of initiatives and measures that promote a responsible culture refer to:</p> <ul style="list-style-type: none"> – How we do business (Our Code, Our policies, The Yes Check) E p53 – About NatWest Group W – Our values A p99, E p3 W – Culture A p100 – Our Code W – Supporting our colleagues (Championing our colleagues’ potential) E p40 to 46 – Climate transition plan – Climate education C p34 – Wider workforce remuneration E p41 – Aligning executive pay with ESG performance and our strategy E p51 	<ul style="list-style-type: none"> C Our evolving approach to customer engagement p32, Board oversight p62 W About NatWest Group NatWest Group W Our values NatWest Group W Our code NatWest Group
<p>5.3 Policies and due diligence processes Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe. Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p>	<p>In addition to the policies referenced in Principle 3.1 refer to:</p> <ul style="list-style-type: none"> – Whistleblowing (Speak Up) E p54 & W – Salient Human Rights Issues (published December 2023) A p43, E p57 and W – Our Supplier Charter 2023 W – Environmental, social and ethical (ESE) risk management E p55 to 56 and W 	<ul style="list-style-type: none"> W Whistleblowing NatWest Group W Human rights and modern slavery NatWest Group W Supply Chain Natwest Group W ESE & reputational risk management

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Reporting and self-assessment requirement	High-level summary and some highlights in 2023	References for further details and full descriptions
<p>Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Assurance Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> Partially <input type="checkbox"/> No</p> <p>If applicable, please include the link or description of the assurance statement.</p>	<p>Responses for questions under 2.1, 2.2, 2.3 and 5.1 are within the scope of EY assurance. Read 2023 EY Assurance Statement for further details on the scope, respective responsibilities, work performed, limitations and conclusion.</p>	
<p>6.2 Reporting on other frameworks Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p> <p><input checked="" type="checkbox"/> GRI <input checked="" type="checkbox"/> SASB <input checked="" type="checkbox"/> CDP IFRS Sustainability Disclosure <input checked="" type="checkbox"/> Standards (to be published) <input checked="" type="checkbox"/> TCFD <input checked="" type="checkbox"/> Other: WEF IBC Metrics</p> <p>If desired, you can elaborate</p>	<p>Please read further on in our 2023 ESG Framework Appendix for our disclosures against WEF IBC metrics, GRI, SASB.</p>	
<p>6.3 Outlook What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.</p>	<p>We will continue to engage and support the principles of PRB, further developing our impact analysis capabilities, and our target and ambition setting.</p>	

UN Principles for Responsible Banking (PRB) self-assessment reporting continued

Reporting and self-assessment requirement

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input checked="" type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input checked="" type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:
