

Environmental, Social and Ethical

Risk



NatWest
Group

Adult Entertainment Risk Acceptance Criteria



Adult Entertainment

We recognise that the activities of our customers can have environmental, social and ethical (ESE) impacts – including polluting activities and the potential for human rights infringements. ESE risk forms part of NatWest Group’s overall Reputational Risk Policy and requires enhanced due diligence to be performed for certain customer relationships, transactions, activities and projects. To manage these risks, we have developed Risk Acceptance Criteria for sectors which present heightened ESE risk and define the level of ESE risk the bank is prepared to accept.

The ESE Risk Framework supports our long-term, ongoing work to align our policies and practices to both the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Scope

The ESE Risk Framework applies to all legal entities within the Group for the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services).

Context

We champion potential, helping people, families and businesses to thrive.

This sector appetite covers NatWest Group support provided to companies in the Adult Entertainment sector. This includes companies involved in producing and broadcasting pornographic material; sex shops/cinemas and Sexual Entertainment Venues (including lap dancing clubs and strip shows), sale or advertising of sexual services and dating websites.

NatWest Group acknowledges the risks associated around the Adult Entertainment sector, which include the promotion of gender inequality, ease of access to pornography, human trafficking, forced and child labour, and links to prostitution, drugs, crime and money laundering risk.

Where material concerns relating to human rights violations ^[1] are identified, including with respect to the salient human rights issues ^[2] identified by NatWest Group, we will engage with the customer to understand the actions they have taken to cease and remediate and prevent future violations.

This document summarises our ESE Risk Acceptance Criteria for the Adult Entertainment sector.

Prohibited

- Evidence ^[3] of human rights violations ^[1] where the customer is unable to demonstrate that it has taken any action to cease, remediate, prevent and/or mitigate, as appropriate, the relevant violation.
- Owners/operators of brothels, businesses facilitating prostitution and adult massage parlours.
- Online pornography except ‘on-demand programme services’ regulated by Ofcom.
- Sale and/or advertising of sexual services (including sex clubs, escort agencies, ‘mail-order marriages’ and sex tourism).
- ‘Adult’ dating sites and applications where the primary purpose is some form of sexual entertainment or sexual contact.

- Sex chatlines/chatrooms (TV, internet or telephonic).
- Sexual entertainment venues, including lap dancing, pole dancing, table dancing, strip shows, peep shows, live sex shows.
- Unlicensed brick and mortar sex shops.
- Production of Pornography.
- Sex Cinemas.

Restricted

- Evidence ^[3] of human rights violations ^[1] where the customer is able to demonstrate that it has taken action to cease, remediate, prevent and/or mitigate, as appropriate, the relevant violation within a timeframe which is acceptable to the bank.
- Publishers of pornography.
- Broadcasters of pornography (TV, film, online demand programme services).
- Licensed ‘bricks and mortar’ sex shops.
- Online sex shops, dependent on provision of a satisfactory company statement confirming no sale of pornography at R18 classification or with explicit content beyond R18 classification, and that effective age verification controls are in place.
- Payment Service Providers offering services to Adult Entertainment sector companies.
- Entertainment companies that offer the services of strippers (including nightclubs, pubs, strip-ogram services).
- Other entertainment–burlesque clubs, bunny clubs, event companies involved in erotica.
- Dating websites and applications (not offering sexual encounters).

Normal

- No evidence ^[3] of human rights violations ^[1].
- Sale of erotic content including sex toys and erotic lingerie.

Glossary

Item	Definition
1. Human rights violation	A violation of any right which is inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status.
2. Salient human rights issues	The United Nations Guiding Principles Reporting Framework defines salient human rights issues as those rights that are at risk of the most severe negative impact through a company’s activities or business relationships. NatWest Group’s ‘Salient Human Rights Issues’ can be found at https://www.natwestgroup.com/sustainability/governance-and-responsible-business/human-rights-and-modern-slavery.html
3. Evidence	A finding of a human rights violation by a government (including a government agency), supervisory authority, national or international court or multinational development agency.