2020 Basis of Reporting

for selected Sustainability or Environmental, Social and Governance (ESG) metrics

Metrics

Theme	Metric #	Metric
Climate	1	Operational footprint CO2 equivalent (CO2e) emissions, including Carbon offsetting (tCO2e)
	2	Climate and sustainable funding and financing (£)
Enterprise	3	Minimum number of jobs created by businesses participating in NatWest/ RBS/ Ulster Bank Entrepreneur Accelerator Programme (#)
Learning	4.a	Individual financial health checks (#)
	4.b	Interactions with Friends against Scams (#)
	4.c	Savings goals set (#)
	4.d	Young people reached through MoneySense (#)
	5	Additional customers helped to start saving (#)
Responsible Business	6	Direct community investment (DCI) spend (£)
Customer	7	Number and value of attempted fraud prevented in UK (#, £)
	8	First Time Buyer (FTB) mortgage customers supported (#)
	9	Percentage of digitally active personal customers (%)
Colleague	10.a	Proportion of black, Asian, and ethnic minority in top four leadership layers in the UK (%)
	10.b	Gender balance in top three senior layers (%)

Metrics 4.a–4.d grouped as: Together Financial capability interactions (#)

Introduction

The tables in this document detail our approach, scope, and controls for the 10 sustainability metrics included within EY's 2020 Sustainability Limited Assurance Engagement. These 10 Sustainability metrics are reported in the 2020 reporting suite including in the Strategic Report, the Climate Related Disclosure Report and the ESG Supplement.

We note that there are currently limited industry standards or globally recognised established practices for measuring Sustainability or ESG performance and defining ESG metrics. However, we anticipate that standards and definitions will develop and consolidate over time and we are committed to working to align our reporting our future approach and process in line with these developments.

Theme	Metric	Scope and exclusions	Unit of reporting	Method	Internal reporting and controls	Reporting frequency
Climate	1. Operational footprint CO2 equivalent (CO2e) emissions, including Carbon (tCO2e)	Total emissions are the aggregating CO2e emissions from - Scope 1 - from consumption of natural gas, liquid fossil fuels, hydrofluorocarbons (HFC)s and owned/leased vehicles - Scope 2 - from electricity consumption and from other imported energy - Scope 3 - from business travel, paper, waste, and water In 2020 we extended scope 3 to included paper, gather primary data from suppliers on tonnes, waste, supplier tonnage data categorised by waste type and destination (e.g. tonnes - cardboard – recycled) and water, supplier m3 data as well as business travel, primary data from travel providers and employee expenses the 2019 comparatives have been restated. Net Zero Carbon is 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 (e.g. forests, offsets from tree planting. Climate Positive occurs where you offset more carbon than emitted. In 2020 we calculated the impact of home working and commuting, this is not included in the reported scope 3 figures, however, it was included in the total offsetting calculation to achieve Net Zero. Data relates to the period 1 October 2019 – 30 September 2020.	Tonnes of CO2e (tCO2e), net of carbon offsetting	Co2e data is sourced from the Envizi Environmental Reporting System and aggregated for the indicators within each scope. All data (e.g. waste tonnage, electricity usage, gas use, paper tonnage, water m3) is held in Envizi. The system then converts this to CO2e using relevant emission factors, and assigns to the relevant scope (Scope 1, Scope 2, or Scope 3). This is calculated in accordance with the Greenhouse Gas Protocol. Carbon offsetting is calculated using market-based emissions data for the REGO renewable electricity offsets purchased. One off set is equivalent to one tone of carbon.	CO2e emission data is validated by external service providers each month. Monthly and more detailed quarterly checks are carried out on data completeness and data variance.	Reported monthly to the climate governance forum.
	2. Climate and Sustainable Funding and Financing (£)	The detailed Climate and Sustainable Finance Inclusion Criteria (CSFI criteria) is available at: (website link). These criteria, which was published in 2020, is used to determine the assets, activities and companies that are eligible to be included in this metric. The CSFI criteria is focused on supporting a transition towards a low-carbon and climate resilient economy. The assets and activities which are in scope of the CSFI criteria are in line with the eligibility criteria of one or more of the ICMA Green Bond Principles (2018), Loan Markets Association ("LMA") Green Loan Principles, and relevant transactions (that include a specific carbon or climate related metric) under the LMA's Sustainability Linked Loan Principles. During 2020, the CSFI criteria excluded personal lending and own bond issuances. In early 2021, the CSFI criteria has been amended to provide additional clarity on existing criteria, and to include lending to personal customers for properties with EPC A and B ratings. The inclusion of personal customers in the CSFI criteria going forward does not impact the scope of the £20 billion climate and sustainable funding and financing commitment, as set in 2020.	£ additional funding and financing	Attested quarterly submissions from business lines aggregated centrally by Finance. Any queries in relation to the CSFI criteria are resolved by a committee of SMEs.	Internal reporting to Climate Opportunities Group and specific franchise reporting. All submissions are attested to by submitting business line. Further checks include checking lending facilities against established external source systems (Regulatory Platform), eligibility checks by Sustainable Finance, issue escalation / opinion at climate disclosure working group, signoffs by Finance and Sustainable Finance.	Reported quarterly to climate governance forum.

Theme	Metric	Scope and exclusions	Unit of reporting	Method	Internal reporting and controls	Reporting frequency
Enterprise	3. Minimum number of jobs created by businesses participating in the Entrepreneur Accelerator Programme (#)	The jobs created by businesses that were on-boarded to an Accelerator Programme in one of our 12 hubs across the UK. UK banking entity's including NatWest (Retail), RBS (Retail), Ulster Bank (NI Retail) does not include Coutts and Ulster bank (ROI). This includes the October 2019 intake (Jan - Mar) as well as the extended April 2020 intake (increased from six months to approximately ten months). In 2020, in response to Covid-19, the Accelerator Programme proposition was delivered digitally from the end of March onwards. All figures are calculated based on self-reported data from entrepreneurs throughout their time on the Entrepreneur Accelerator Programme	# of jobs created	Data is extracted from the Entrepreneurship team's customer relationship management system that tracks a variety of metrics during the period that entrepreneurs are based in the Accelerator hubs. Data is collected by the Entrepreneur Accelerator Managers during their monthly check ins with the entrepreneurs.	Data is validated by the Entrepreneur Managers when collected.	Reported bi-annually to the Entrepreneurship management forum.
Learning	4.a. Individual Financial Health Checks (FHC) (#)	FHCs - number of full FHC's completed by a senior personal bankers or premium banking 'Know me' appointments kept. Scope of reporting includes the UK banking entities including NatWest (Retail), RBS (Retail), Ulster Bank (NI) and Coutts.	# individual FHC completed	Data is captured by the senior personal banker when the FHC is completed and collated by group data software. The data is centrally extracted from the weekly Performance Insights One Way Dashboard and from Coutts, and Ulster MI teams"	Data is collected from multiple sources and by different means for face to face delivery and virtual alternatives. Various customer analytics data tools are used, and individual data collated centrally, and control checks are performed.	Reported monthly to Retail Banking governance forum.
	4.b. Interactions with Friends against Scams (FAS) (#)	FASs - training interventions provided to help participants understand how to spot a scam and empower them to help prevent relatives, neighbours, and friends from becoming victims of fraud. The training has typically been run face-to-face but in 2020 has also been delivered virtually. As per the guidance from National Trading Standards a consumer can be counted as a Friend Against Scams if they have 1. Had the FAS script read to them 2. Watched the video hosted on You Tube, Facebook or University of the Third Age or share by a colleague from Electronic Learning Assistant frontline learning tool 3. Attended a group presentation, delivered by a bank colleague using our dedicated presentation 4. Number of Crime Scene Investigators workshops held. (CSI workshops also included as part of the wider MoneySense workshop programme - for FAS they are counted as total number of workshops, separate to the MoneySense delivery 5. Watched the presentation held on Facebook 6. Attended the presentation delivered to U3A	# of interactions with FAS content	Friends Against Scams delivered in Retail Banking is captured by the Community bankers in customer analytics software and virtual delivery is captured by data analytics tools the data is collated and reviewed centrally by the Customers in vulnerable situations team. Data from third party websites (You Tube)is sent monthly by Marketing		

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Learning	4.c. Saving Goals set (#)	Savings goal tools - is an in-app tool that helps customers save regularly and helps make sure they reach their goal. The number of individual saving goals set is counted based on the use of the app function. Customers can only set one savings goal for each instant access account held. Customers can set more than one goal a year if they reach or abandon their goal.	# saving goals set	Savings goals set are captured by the customer analytics data and extracted and reviewed by the savings team.	Data is collected from multiple sources and by different means for face to face delivery and virtual alternatives. Various customer analytics data tools are used, and individual data collated centrally, and control checks are performed.	Reported monthly to Retail Banking governance forum.
	4.d Young People reached through MoneySense (#)	Young people are taught about money through providing activities, games and resources for students, teachers, and parents via a dedicated website mymoneysense.com. The number of young people reached is calculated by counting the teachers, when they register on the site, the size and number of classes is also captured. The accuracy of the data is based on what those registering enters, and that teachers or others registered do not share resources or login details. In 2020 several additional Money Sense delivery mechanisms such as Money Sense Mondays on Facebook were introduced in response to the Covid related school closures. The interactions in relation to these initiatives are not included in this metric. We acknowledge the risk that a small number of valid interventions will not be recorded due to system/process failures or human error, and therefore cannot be included in the final figure. We are comfortable with this risk as it means we are underreporting the number individuals reached, not overstating the total.	# young people reached through Money Sense	A third part agency provides the raw data counts (number of registrations since a certain date, in a country etc) monthly. Data Is extracted from the Money Sense database (MS SQL Server).		

	5. Additional customers helped to start saving (#)	Number of customers who have savings of £100 for the first time compared to the January 2019 baseline. Scope of reporting relates to UK banking entity's including NatWest (Retail), RBS (Retail), Ulster Bank (NI Retail) does not include Channel Island, Isle of man, Coutts and Ulster bank (ROI).
		
		Analysis includes all Savings accounts and all customers linked to these accounts, so there will be some double counting in instances of joint accounts, since it's based on value of balances that the customers have access to. It does not include positive balances in current accounts.
		
		We acknowledge that there may be instances where customers had existing savings with other banks and transferred them into their NatWest Group account and these situations will be included in the total.
			# of customers	Data is sourced from the retail banking monitoring systems Enterprise Data Warehouse. The data and analytics team extract the data using a bespoke report that captures
				  1. Active adult money transmission accounts (MTA) customers have >£100 in savings accounts
				  2. Savings balance used and a customer with >=£100 is classed as someone who has "started to save"
				  3. Excluded customers who had >= £100+ in savings from January 2019-Jan 2020 (base created using month-end snapshots)
					Various validation checks for completeness and consistency are completed including checks against the previous months' data and expected volumes.	Reported monthly and quarterly savings and financial capability management forums

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Responsible Business	6. Direct community investment (DCI) spend (£)	The DCI is one component of the overall Business for Societal Impact (B4SI) benchmark as defined by the London Benchmarking Group (LBG) framework. The metric is prepared in alignment with the LBG framework and guidance. The DCI is cash support and excludes the total value of staff time (volunteering), in-kind contributions (where we forego fees or notional property costs etc.) and management costs (salaries of this working directly on community activities) that are included in the overall B4SI metric. DCI includes, cash donated directly through corporate sponsorships and other charity activity and the sending on our community investment programmes such as Money Sense.	£ DCI spend	Corporate sponsorship and other charitable donations are captured through various central and local data collection tools and community investment spend is extracted from the financial reporting systems. The various data points are collated and reviewed centrally.	Data is subject to internal quality assurance by a central team who monitor the overall spend and manage the community investment programmes and initiatives.	Reported quarterly to community management forum.
Customer	7. Percentage of digitally active personal customers (%)	The percentage of personal customers with active current accounts that have accessed a mobile banking app or online banking platform within the last 90 days as at 31 December 2020, compared with the total number of customers with an active current account in the same period. The scope of reporting includes all active NatWest, Royal Bank of Scotland, and Ulster Bank NI personal customers.	% of active personal current account customers	Data is sourced from Teradata (customer data analytics software).	Data is subject to internal quality assurance by Performance Insights Team. Includes a manual completeness and consistency checks.	Reported monthly to Digital Penetration management forum.
	8. First Time Buyer (FTB) mortgage customers supported (#)	Volume of FTB customers with a mortgage drawn down and funds exchanged regardless of product type. A first-time buyer is a customer who has not owned a property previously. Joint Mortgages where one of the parties is has not owned a property previously are included within this. Includes all mortgage completions for the purpose of residential living. Excludes mortgage applications for business purposes e.g. shops and completed applications that never progressed to a drawn down mortgage where funds are exchanged.	# of customers	Data is extracted from mortgage data monitoring systems with data capture from Bank Mortgage system GMS (Group Mortgage System). FTB customers are tagged with a flag to highlight them to the system	Data is subject to internal quality assurance by Credit risk and Retail banking Management Information teams	Reported monthly personal banking management information (PBMI) team
	9. Number and value of attempted fraud prevented in UK (#, £)	Scope of reporting includes the UK banking entities including NatWest (Commercial & Retail), RBS (Commercial & Retail), Ulster Bank (NI) and Coutts (and UK its subsidiary brands). NWM and RBSI are excluded. The types of fraud included are Non-plastic, Credit Card, Debit Card. Internal Fraud, Scams and ATM fraud are excluded.	# / £ of attempted fraud prevented	Data is sourced from the case management and fraud prevention systems. At end of year, month-end figures are refreshed to account for any additions/ subtractions throughout the year to give a more accurate end-of-year position.	Data is verified by Security and Fraud preventions centre of excellence.	Reported monthly to the external industry body, UK Finance, and to internal risk appetite governance forums.

Theme	Metric	Scope and exclusions	Unit of reporting	Method	Internal reporting and controls	Reporting frequency
Colleague	10.a Proportion of black, Asian, and ethnic minority in top four leadership layers in the UK (%)	The percentage of black, Asian, and ethnic minority employees in senior roles in the UK, defined as CEO-1, CEO-2, CEO-3, and CEO-4 management layers according to line-management reporting lines. Specific rules and exclusions include 1. Where individuals are on secondment, their secondment role is used as a basis for reporting 2. Based on active headcount only - non-active headcount include individuals on maternity / paternity leave, long term sick and career breaks 3. 3. All clerical, appointed and lower management level roles and some business management and leadership support roles in these levels i.e. Executive Assistant and Business Support are excluded.	% of black, Asian, and ethnic minority colleagues in total target population (UK disclosed population only)	Data is sourced from Workday (Human capital management software) on the last day of the quarter and is used to produce quarterly scorecards.	Data is representative of Workday. Worker gender and worker ethnic origin are managed through both Workday validation and monthly data profiling activities are completed based around the Data Management Policy guidelines. The process is mostly automated and manual checks are completed on the key areas to ensure accuracy of reporting especially around exclusions.	Reported quarterly in scorecards for each business area.
	10.b Gender balance in top three senior layers (%)	The percentage of women employees in senior roles, defined as the CEO- 1, CEO-2, and CEO-3 management layers according to line-management reporting structure. Specific rules and exclusions include 1. Where individuals are on secondment, their secondment role is used as a basis for reporting 2. Based on active headcount only - non-active headcount includes individuals on maternity / paternity leave, long term sick and career breaks 3. 3. All clerical, appointed and lower management level roles and some business management and leadership support roles in these levels i.e. Executive Assistant and Business Support are excluded.	% female colleagues in total target population			