

# Terms of Reference

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| <b>Chair</b>  | An independent Non-Executive Director of NatWest Group plc (“NWG”)  |
| <b>Members</b>  | At least three independent Non-Executive Directors (including the Group SBC Chairman)   |
| <b>Attendees</b>  | Group Chairman<br>Director, Strategy, Economics, Corporate Development<br>Chief Human Resources Officer<br>Director, Communications & Corporate Affairs<br>Director of Sustainable Banking  |
| <b>Additional Invitees</b>                                    | The Group Chief Executive Officer has a right of attendance at all meetings. Additional invitees or subject matter experts may be invited to attend or present to the Group SBC at the request of the Chairman.   |
| <b>Quorum</b>   | Two members   |
| <b>Meeting Frequency</b>                                      | 5 committee meetings per annum and ad hoc as required.  |
| <b>Secretary</b>  | Corporate Governance  |
| <b>This Committee receives its authority from</b>             | Group SBC operates under delegated authority from the NWG Board   |
| <b>Purpose of this Committee</b>                              | To support the NWG Board in overseeing, supporting and challenging actions being taken by management to run the bank as a sustainable business, capable of generating long term value for its stakeholders. Group SBC will support the NWG Board in overseeing the process of developing and embedding the Group’s purpose of championing potential, helping people, families and businesses to thrive.   |
| <b>Scope of this Committee’s oversight and responsibility</b> | <p><b><u>1. Purpose oversight</u></b></p> <p>1.1 In the context of the Group’s published strategic targets, its commitment to the UN Principles of Responsible Banking (including progress against focus Sustainable Development Goals) and its committed alignment to the Blueprint for Better Business framework, the Group SBC will oversee purpose, specifically:</p> <p>1.1.1 <u>Enterprise</u></p> <ul style="list-style-type: none"> <li>• Receive and debate updates on how the relevant business areas are supporting the Group’s ambition to be a champion of start-ups, regional businesses, female/BAME-led business and social enterprises; and</li> <li>• Challenge management to consider how the Group can best create value for customers today and in the future, with a focus on key Enterprise segments.</li> </ul> <p>1.1.2 <u>Climate</u></p> <ul style="list-style-type: none"> <li>• Receive and debate updates on the Group’s progress towards achieving its climate strategy ambitions including being a ‘leading bank in UK &amp; ROI on addressing the Climate challenge’ covering operational, financing and sustainable funding progress.</li> <li>• Review management’s approach to climate strategy.</li> <li>• Oversee how the Group responds to investor expectations on ESG matters and to peer activity.</li> </ul> |

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### 1.1.3 Learning & Capability

- Receive updates on how the Group is becoming a learning organisation that delivers greater financial confidence to customers and future-ready employability.

## **2. Customers, Conduct and Ethics**

2.1 Receive updates on actions being taken by management to improve customer service and experience across key customer segments.

2.2 Challenge management on ensuring the Bank's decisions are Purpose-led, with a focus on stakeholder impact, the conduct environment, reputational risk and ethical decision-making.

2.3 Receive periodic updates on the health and effectiveness of supplier relations and related supplier topics.

2.4 Review and recommend to the Board material updates to NWG's Modern Slavery and Human Trafficking Statement, and Human Rights Position Statement.

## **3. People and Culture**

3.1 Review the progress of the cultural change to building a 'Purpose-led Bank'.

3.2 Oversee the action taken by management to engage today's workforce and build the workforce for tomorrow by supporting the development of relevant people-related strategies.

3.3 Consider key workforce policies and practices (not related to pay) to ensure they are consistent with the Group's values and support long term sustainable success.

## **4. Supporting long-term value creation**

4.1 Receive and consider Management Information which monitors progress against the Group's purpose priorities.

4.2 Engage with relevant stakeholders to provide external perspectives and help promote stakeholder voice in the boardroom.

4.3 Provide advice to the Group Performance & Remuneration Committee on customer, people and culture targets and performance, advocating for the integration of sustainable targets within the incentive framework.

4.4 Review external sustainability reporting and disclosure as required.

4.5 Arrange regular effectiveness assessments of its own performance including Terms of Reference reviews, recommending any changes to the NWG Board.

4.6 Committee members will ensure that due consideration is given to the Group's Purpose in Committee discussions and decisions.

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### **Escalation**

Group SBC will report and make recommendations to the NWG Board, identifying any matters within its remit in respect of which it considers that action or improvement or approval is required. The minutes of Group SBC will be made available to the NWG Board.

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### **ToR last approved on**

Group SBC - 14 June 2021

NatWest Group plc Board - 16 June 2021

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