NatWest Group Statement on Modern Slavery and Human Trafficking

1. Introduction

At NatWest Group, we are committed to our responsibilities to respect and uphold human rights across our business and sphere of influence. We do not tolerate slavery, trafficking or forced labour in any part of our business or supply chain.

This is our fourth Modern Slavery and Human Trafficking Statement. It is made in accordance with section 54 of the UK’s Modern Slavery Act 2015 (The MSA). This statement applies to NatWest Group plc (previously the Royal Bank of Scotland plc) and its subsidiaries that are required to have a modern slavery statement. A list of those subsidiaries is provided in the Appendix. The statement covers the financial year ending 31 December 2019.

2. Organisation structure, business and supply chains

NatWest Group is a financial services company, providing a range of products and services to personal, commercial, large corporate and institutional customers. We serve around 19 million customers and our aim is to meet their needs wherever they find us. During 2019 we developed a new Purpose - to champion potential, helping people, families and businesses to thrive. We are now putting that purpose at the core of everything we do, and strive to create longer-term, deeper relationships with our customers. In the context of modern slavery, we cannot champion potential and help people, families and businesses to thrive without first working with our business customers and supply chain to ensure that together we identify and eradicate all instances of modern slavery. We are committed to having open and transparent policies on procurement, recruitment and lending, identifying and tackling all instances of modern slavery and human trafficking across our business. Working with our supply chain, and as a bank to other businesses, we will seek continuous improvement in this area to ensure our activity does not negatively impact anyone.

NatWest Group provides a range of products and services to personal, commercial and large corporate and institutional customers through several well-known banking brands including; The Royal Bank of Scotland, NatWest, Coutts and Ulster Bank. NatWest Group has a number of subsidiaries, a full list of which can be found in the Annual Report and Accounts.

Further information about our approach to human rights and modern slavery can be found online.
We employ around 64,000 colleagues globally on a full-time equivalent basis, including temporary workers. Approximately 72% of our colleagues are covered by a collective agreement and/or local employee representative arrangements. Our aim is to engage our employee representatives at the right time, in the right way and on a no-surprise basis.

We have also established a Colleague Advisory Panel made up of circa 20 colleagues from across different parts of NatWest Group (including outside of the UK & Ireland) who meet twice a year with Group Board members to discuss key issues with them directly.

In support of our operations, NatWest Group purchases goods and services from several suppliers, the majority of whom are based in the UK and Ireland. Most of our procurement is in professional services. We have no inherent seasonality in our sourcing; either in variation of the goods and services we source or the suppliers from whom we source.

Our business and supply chain processes are underpinned by the three lines of defence risk management model, which is operated industry wide. More information about this model can be found in our Annual Report.

3. Our approach to Modern Slavery and Human Trafficking

NatWest Group recognises the importance that business can play in respecting human rights. Our position on human rights, which will be reviewed in 2020, sets out our approach which has been informed by a range of international standards and principles including: The United Nations (UN) Universal Declaration of Human Rights, United Nations Global Compact, the United Nations Guiding Principles of Business and Human Rights, the Equator Principles, the Living Wage Foundation and the ILO (International Labour Organisation) labour standards. This includes the right to collective bargaining and freedom of association.

Our approach to modern slavery sits within the wider human rights context. At NatWest Group, we understand that modern slavery in the UK can take many forms including trafficking, slavery, servitude or forced labour. It is a hidden crime that destroys lives, damages communities and has strong links with organised crime. We know that potential victims may be reluctant to come forward or may not identify themselves as victims. We are therefore committed to working with others to make progress towards the delivery of Sustainable Development Goal 8.7 calling for the eradication of forced labour and modern slavery, including through promoting best practice in our own operations and extended supply chain.

Further information about our approach to human rights and modern slavery can be found online.
In 2019, we:

- **Strengthened our activity to tackle modern slavery as a financial crime by:**
  - continuing to build intelligence and lead working groups through our active participation in the Joint Money Laundering Intelligence Task Force expert working group for Organised Immigration Crime and Human Trafficking.
  - continuing to investigate self-generated and law referred cases involving customers who were both victims and perpetrators of modern slavery.

- **Provided bespoke training and support to retail branch colleagues by:**
  - rolling out training and workshops on how to spot the signs of modern slavery, based on intelligence from our Financial Intelligence Unit, to colleagues in over 750 branches across the UK.
  - creating bespoke material on modern slavery for frontline staff which is available through our internal artificial intelligence query tool ‘Ask Ella.’

- **Reviewed wider training requirements and awareness raising measures by:**
  - delivering an intelligence webinar to provide an overview of modern slavery and human trafficking which focussed on typologies and indicators.
  - producing a bespoke bank-wide article detailing the bank’s role in tackling modern slavery on World Anti-Slavery Day.
  - collaborating with the National Crime Agency’s (NCA) Modern Slavery Unit in Anti-Slavery week and hosted a ‘drop in’ awareness session at our London Offices in Islington.

- **Enhanced our whistle-blowing service (Speak Up) by:**
  - launching additional functionality which allows colleagues to confidentially raise any concerns, wrongdoing or misconduct (including modern slavery violations) by mobile in addition to the existing telephony and web-based service.

- **Ensured that all subsidiaries that were required to have a modern slavery statement:**
  - had a website link to the group statement added to their website. Subsidiaries which were in scope but did not have their own website were made aware of the requirement to provide a copy of their statement in writing within 30 days.

Further information about our approach to human rights and modern slavery can be found online.
Further information about our approach to human rights and modern slavery can be found online.

Our approach to identify and mitigate instances of modern slavery and human trafficking within our business and supply chain is continuously evolving guided by the Group’s approach to Human Rights.
Looking forward, in 2020, we will focus on:

- **Embedding our approach to Modern Slavery into our Purpose.**
- **Updating our approach to Human Rights, embedding it with our Purpose.**
- **Supporting victims of modern slavery** to open a basic bank account and provide financial capability material and tools.
- **Continuing to address modern slavery and human rights with suppliers** by:
  - creating an embedding a new supplier charter (replacing our existing Supplier Code of Conduct) which will outline the bank’s commitments and our expectations of suppliers to comply with applicable human rights and employment laws in the jurisdiction of where they are based. This includes understanding the risks of modern slavery in their business and supply chain and taking appropriate actions to identify and address these risks.
  - strengthening the bank’s terms and conditions of our core agreement to help drive compliance.
- **Strengthening our activity to tackle modern slavery as a financial crime** by:
  - building intelligence, through the work of our Financial Intelligence Unit, and with industry bodies representing sectors that are vulnerable to modern slavery.
  - continuing to develop a tool to proactively identify bank accounts that are laundering the proceeds of Modern Slavery offences.
  - collaborating with the charity, Stop the Traffik and other organisations on the Traffik Analysis Hub. This is an international data hub to facilitate the sharing of information about human trafficking across all industries and sectors.
- **Raising awareness of modern slavery and human rights** by:
  - providing bespoke awareness training and support to colleagues on how to spot the signs of modern slavery.
  - creating a new mandatory Customers in Vulnerable Situations e-learning module, featuring a modern slavery scenario, which all colleagues will have to complete.
- **Enhancing the Speak Up framework** by:
  - partnering with the Banking Standards Board to identify opportunities to drive greater engagement with reporters to maintain an environment where modern slavery concerns can be raised in confidence.

**Covid-19**
At time of writing this statement the global pandemic of Covid-19 has impacted the health, well-being and employment of people across the globe. NatWest Group has responded by helping customers, working with suppliers, and supporting colleagues. We are monitoring the modern slavery and human rights impacts that may result and are following government guidance and NGO insight.

Our 2020 statement, due for publication by end of June 2021, will cover our actions taken.

Further information about our approach to human rights and modern slavery can be found [online](#).
4. Policies in relation to slavery and human trafficking

As outlined in our previous statements, NatWest Group has a robust policy framework which prohibits modern slavery and human trafficking. We continue to review relevant policies to ensure they comply with the legislation and support its spirit. The purpose of our policies is to prevent, identify and address incidents as and when they arise.

<table>
<thead>
<tr>
<th>Customers</th>
<th>Anti-Money Laundering</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Environmental, Social, Ethical Risk Policies</td>
</tr>
<tr>
<td>Employees</td>
<td>Our Code</td>
</tr>
<tr>
<td></td>
<td>Speak Up Policy</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Supplier Code of Conduct</td>
</tr>
</tbody>
</table>

4.1 Customers: Combatting human trafficking as a financial crime

We take a risk-based approach to accepting new customers and managing existing customers. When we believe there is an increased risk of modern slavery, our checks include undertaking media searches or an assessment of transactional activity. Should we identify adverse press or suspicious activity, this triggers specific due diligence, which includes analysis of the allegations and account activity, and where appropriate, a full investigation and disclosure of suspicions to the National Crime Agency.

NatWest Group seeks to combat financial crime and the misuse of our assets and systems by criminals. We are determined to take a proactive approach to financial crime risk and meet our national and international regulatory obligations for anti-money laundering, anti-bribery & corruption, anti-tax evasion and sanctions. Considering human trafficking specifically, our Financial Intelligence Unit investigates financial crime and intelligence to better detect and disrupt threats to the bank. We have exited several relationships that demonstrated human trafficking indicators in 2019.

We collaborate with other companies, the government, NGOs and law enforcement, to help identify and mitigate against modern slavery and human trafficking. For example, we are active members of the Joint Money Laundering Intelligence Taskforce (JMLIT). This brings together banks, law enforcement and the regulator in both operational and strategic environments. One of its four priority areas is in tackling the laundering of the proceeds of human trafficking and organised immigration crime.

Further information about our approach to human rights and modern slavery can be found online.
4.2 Customers: Environmental, Social, Ethical Risk Policies

The activities of our customers can have environmental, social and ethical (ESE) impacts – including the potential for human rights infringements. To help us assess and manage these risks, we operate an ESE risk management framework. This was put in place in 2011 and is reviewed regularly to address new and emerging risks and our own societal obligations. As part of this process, we conduct due diligence on customers, projects and transactions that present heightened ESE risk. We also expect our customers to adhere to environmental, social and human rights standards.

NatWest Group has ESE risk acceptance positions for nine industry sectors which present heightened ESE risk. Customers operating in these sectors undergo enhanced due diligence both at onboarding and throughout their relationship with us. Reputational Risk Committees have been established in all customer facing businesses with the Group Reputational Risk Committee (GRRC) considering customers and transactions which present the most material ESE risks. Our general ESE Risk Concerns process (which includes managing incidents of modern slavery) also applies to customers who operate outside of these nine sectors e.g. in retail or manufacturing. Enhanced due diligence is completed where an ESE risk concern is identified. During 2019, one case of modern slavery was identified and raised via our ESE risk management process. More information about due diligence in our ESE process can be found on our website.

4.3 Suppliers: Supplier Code of Conduct

We require our suppliers to uphold the same values and commitments that we have made in relation to social, environmental and economic impacts, as set out in our Supplier Code of Conduct (SCoC) and other bank policies. Adherence to these policies is required as part of our supply chain tendering process and through our standard supplier contracts.

Additionally, contractually suppliers are expected to implement the standards of the SCoC with their own suppliers. We have embedded the MSA within our supply chain processes including the SCoC to refer to requirements under the legislation, and reinforcing the existing commitments we had, such as meeting international labour standards. Additionally, our supplier tender process includes specific questions of suppliers in relation to the MSA which asks them to evidence their company is operating in line with international standards and legislation such as the MSA and ILO.
Supplier review meetings conducted as part of ongoing contract management have a standing agenda point on compliance to the SCoC which includes Modern Slavery and Human Rights issues.

In the countries in which we operate we also expect our suppliers to comply with national legislation. Noncompliance to the SCoC on any grounds is raised through the bank’s operational risk process and dealt with on a case by case basis. This includes engaging with the supplier to identify potential remediation measures. In 2019 there were no known instances of suppliers not meeting these commitments.

Our whistleblowing service, Speak Up, is also available to suppliers, allowing them to report unethical conduct with regards to their relationship with NatWest Group. Speak Up is brought to the suppliers’ attention through the SCoC.

4.4 Colleagues: Our Code and other policies

We expect all colleagues to be treated fairly, with respect and dignity. The Group’s code of conduct, ‘Our Code’, applies to all NatWest Group colleagues (which includes employees, contractors and agency workers). This sets out the Group’s values and expectations of colleagues and includes a clear commitment to human rights. All employees are recruited legally and must meet the 1998 Immigration Act requirements and we undertake relevant background checks. NatWest Group has supported the living wage and was accredited by the Living Wage Foundation in the UK in 2014. In 2018 this was extended to colleagues employed via suppliers (e.g. cleaning, security and catering staff). We also have the ‘Yes Check’ a tool NatWest Group introduced during 2013 to guide colleagues to do the right thing and make good decisions first time round.

4.5 Employees: Speak Up

Speak Up is the bank’s whistleblowing service. The Speak Up Policy applies to all employees, contractors, temporary staff and secondees (‘employees’) and those acting on behalf of or representing the bank (such as consultants and other service providers). The Speak Up reporting service allows employees to confidentially (and anonymously if preferred) report their concerns about any conduct and behaviour that falls short of the bank’s Values and Our Code. This reporting service is operated by an independent third party on behalf of NatWest Group. Our 2019 colleague opinion survey has shown the highest ever score regarding colleagues feeling safe to speak up, and a consistently high proportion who understand the process of how they can raise their concerns. During 2019, there were no referrals to Speak Up regarding MSA related breaches.
5. Training for Colleagues

We have ensured that our colleagues have access to information about the MSA via our internal intranet which is updated at least annually. Using our internal Facebook platform ‘Workplace’ we share best practice, news and insight on modern slavery issues. We also provide tailored training to employees operating in higher risk areas across the bank including financial crime, risk and supply chain services.

Modern slavery content is included in mandatory financial crime e-learnings, which Personal Banking - frontline customer facing colleagues must complete. In 2019, this had a focus on spotting the red flags and behaviours around human trafficking and modern slavery within the construction sector.

We continued to deliver training on ESE risk which incorporates human rights and modern slavery to customer facing businesses and functions. This training has better equipped our colleagues to identify, assess and escalate issues with heightened ESE risk.

The Speak Up e-learning module is a mandatory module for all colleagues which must be completed on an annual basis.

6. Measuring effectiveness

We continue to evolve the way we identify and mitigate modern slavery and human trafficking risks within our business and supply chain and measure the effectiveness of our policies through this framework. The effectiveness of the statement and associated policies is discussed at the quarterly bank wide Modern Slavery and Human Rights working group meetings.

In 2019, we embedded the requirement for suppliers to confirm their compliance with the SCoC throughout the life of the engagement.

Our ongoing collaboration with other businesses helps us to understand how they are approaching the MSA. This includes a peer review of companies’ MSA statements, highlighting areas for improvement.

We also increase visibility by training our colleagues to maintain the highest standards of integrity. Information about the MSA within the financial crime and branch-based training will help front line teams to identify customers’ potential involvement in modern slavery.

7. Engaging with external stakeholders

Our approach to external engagement includes both ongoing collaborations with other businesses and with the UK Government, law enforcement agencies, NGOs and communities. This enables us to keep abreast of changes in policy and growing our

Further information about our approach to human rights and modern slavery can be found online.
Further information about our approach to human rights and modern slavery can be found online.
Appendix

A. List of The NatWest Group plc subsidiaries (“NatWest Group”) required to have a modern slavery statement.

- RBS AA Holdings (UK) Limited
- Ulster Bank Limited
- RBS Invoice Finance Limited
- Coutts & Company
- NatWest Markets Plc
- National Westminster Bank Plc
- The Royal Bank of Scotland Plc
- JCB Finance Limited
- Lombard Business Leasing Limited
- Lombard North Central PLC
- The Royal Bank of Scotland International Ltd
- NatWest Markets N.V.
- Ulster Bank Ireland DAC

B. Other information and useful links

More information about our approach to sustainable banking is available on our website.

- [NatWest Group approach to business, human rights and modern slavery](#) website
- [Sustainable Banking](#) pages online
- [Annual Report & Accounts](#)
- [Supplier Code of Conduct](#)
- [NatWest Group Human Rights Position Statement](#)
- [Anti-Money Laundering](#)
- [Managing Environmental, Social and Ethical (ESE) risk](#)
- [Our Code](#)
- [Working at NatWest Group](#) pages online