



Section 172(1) of the Companies Act 2006

Section 172(1) of the Companies Act 2006 is one of the statutory duties that directors have and requires them to promote the success of the company for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006. Certain companies within the NatWest Group need to include a statement (a Section 172(1) Statement) within their Annual Report explaining how the directors have had regard to these matters.

The Section 172(1) Statements for the following subsidiaries can be accessed or viewed below.

- NatWest Holdings Limited
- National Westminster Bank Plc
- The Royal Bank of Scotland plc
- NatWest Markets Plc
- [Ulster Bank Limited](#)
- [Coutts & Company](#)
- [Coutts Finance Co.](#)
- [RBS Collective Investments Funds Limited](#)
- [FreeAgent Central Limited](#)
- [NatWest Trustee and Depositary Services Limited](#)
- [Lombard Business Leasing Limited](#)
- [JCB Finance Limited](#)
- [Lombard North Central PLC](#)
- [Lombard Finance Limited](#)
- [Lombard Lessors Limited](#)
- [Lombard Maritime Limited](#)
- [RBS Invoice Finance Limited](#)
- [RBS AA Holdings \(UK\) Limited](#)
- [Lombard Technology Services Limited](#)
- [Royscot Trust PLC](#)
- [Care Homes Holdings Limited](#)
- [Care Homes 2 Limited](#)

NatWest Holdings Limited - 2022

Please see the [2022 Annual Report and Accounts](#)

National Westminster Bank Plc - 2022

Please see the [2022 Annual Report and Accounts](#)

The Royal Bank of Scotland plc - 2022

Please see the [2022 Annual Report and Accounts](#)

NatWest Markets Plc - 2022

Please see the [2022 Annual Report and Accounts](#)

Ulster Bank Limited - 2022

s.172(1) statement

This statement describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 (section 172) when performing their duty to promote the success of the Company.

Board engagement with stakeholders

Since the transfer of the Company's business to NatWest Bank in 2021, the Company no longer has any customers or colleagues. As a wholly owned subsidiary of NatWest Bank the Company is aligned to the strategy and purpose of NatWest Group, as applicable.

During 2022, the Board considered routine matters, and approved the 2021 Annual Report and Accounts, a capital reduction, and the payment of interim dividends for 2022.

Relevant stakeholder interests were considered by the Board, including regulatory matters and the long-term consequences of the Board's decisions.

Further information on how NatWest Group (which includes the Company) engages with its stakeholders can be found in the NatWest Group plc 2022 Annual Report and Accounts and at www.natwestgroup.com.

Supporting effective Board discussions and decision making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive – continues to influence Board discussions and decision-making.

The Board Terms of Reference reinforce the importance of considering both NatWest Group's purpose and the matters set out in section 172 in Board discussions and decision-making. Board paper templates include a section for authors to explain how the proposal or update aligns with NatWest Group's purpose and a separate section for them to include an assessment of the relevant stakeholder impacts for the directors to consider.

Coutts & Company – 2021

Stakeholder engagement and s.172 (1) statement

In this statement we describe how our directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 (section 172) when performing their duty to promote the success of the company.

As a subsidiary of NatWest Group our operations are aligned to the strategy and purpose of NatWest Group plc and we follow the policies and procedures of NatWest Group plc, which are reflected, as appropriate in the disclosures below.

Clients

Meeting the needs of clients is central to our long-term success and is a constant feature of Board discussions and decisions. Client NPS is regularly reviewed by the Board and Executive Committee and represents a key performance metric. During the year the Board received regular updates on client matters through reports from the Chief Executive Officer (CEO) and spotlights from the business areas. The directors met with clients throughout the year to enhance relationships and understand their views.

We operate a Client Council, bringing together clients from across the spectrum of our client base. Through the Client Council we undertake research during the year to better understand our clients' views and test developments which helps us to evolve in line with their needs.

Colleagues

As at 31 December 2021, NWB had seconded 1,750 colleagues to the Group (2020 – 1,724) (full time equivalent basis, including temporary workers). Details of the increase in staff numbers and their related costs are included in note 3 to the consolidated accounts.

Engaging our colleagues

A highly engaged workforce is crucial in helping us to achieving our vision. Twice yearly our colleagues are asked to share their views on what it is like to work for us via a collective opinion survey. Our latest survey results, benchmarked against the Global Financial Services norms, shows us ahead in the majority of categories with colleagues valuing flexibility, support and work life balance.

Colleague voice

The Board promotes colleague voice in the boardroom through a variety of channels, including an 'open chair', which provides the opportunity for junior colleagues to attend board and committee meetings. The People Council, made up of circa 50 colleagues, represents colleagues at all levels and acts as custodian of our culture plan. It provides an opportunity for our Executive Committee and Board to engage directly with colleagues.

Speak Up

One of the ways colleagues can report concerns relating to wrong-doing or misconduct is by raising their concerns via Speak Up, our whistleblowing service. The 2021 colleague opinion survey showed that our colleagues are more confident than ever in raising concerns. We believe this is due to our promotion of the speak up policy and encouraging all colleagues to challenge inappropriate behaviour.

Rewarding our colleagues

Individual performance objectives are clearly linked to our vision, strategy and purpose. We take a balanced approach to managing performance which is linked to reward. This includes taking into account the conduct and behaviour of individuals in addition to financial performance. Delivering for our clients is key, as is the management of risk. This balanced approach to reward recognises both what the individual has achieved and how they have achieved it.

Health and wellbeing of our colleagues

As an employer we want to make sure our colleagues have the right support to be healthy and happy at work (regardless of location) and feel able to bring their whole self to work. We have continued to roll out wellbeing programmes, initiatives and products that focus on physical, mental and financial wellbeing.

Developing our colleagues

We believe everyone has the right to be supported to reach their full potential. We invest in the future with ongoing coaching, training, support and encouragement. Every colleague has a personal development plan and access to a personal development coach.

In September 2021 we welcomed 14 graduates into our graduate schemes, plus 8 interns on an 8-week virtual programme. Gender balance and diversity are critical for these schemes to support a balanced workforce for the future. In 2021 we had at least 50% ethnically diverse representation on all early career programmes. Gender balance was at or above 50% representation for female participation on all programmes except one.

Employment of people with disabilities

We ensure that prospective candidates with disabilities are considered equally for employment. On becoming a colleague we are committed to training, career development and promotion based on merit. If a colleague becomes disabled during their career, it is our policy, wherever possible, to retain colleagues in their existing role or to re-deploy to a more suitable role.

Inclusion

Our vision to be the best Wealth Manager for the UK is dependent on having the best people that reflect both our client base and wider society. It is essential that we continue to build a diverse and inclusive organisation. We have a strong and active Respect, Diversity & Inclusion Council that is made up of colleagues who lead the employee led networks covering faith, disability, ethnicity, gender, LGBT+ and social mobility.

This year the spotlight has remained firmly on inclusion, not only the continued focus on ethnically diverse colleagues but right across the inclusion agenda. We have hosted several bank wide listening events that have been supported by the CEO and other Executive Committee members. The Board monitors diversity and inclusion on a quarterly basis to check progress against key measures. Internal policies such as recruitment and promotion support this agenda. Our aim is to have a full gender balance in our CEO-3 and above global roles by 2030 and 14% of roles at CEO-4 and above to be held ethnically diverse colleagues by 2025. The latest data demonstrates good progress towards both targets over the last two years: Females within the top 3 levels of the organisation have increased from 25% to 32.8% and ethnically diverse colleagues in the top 4 levels of the organisation have increased from 7% to 11.7%. Both aims remain a top priority on the people agenda, as we build a fully inclusive organisation.

NatWest Group has an additional ambition to have Black colleagues occupying 3% of CEO-5 and above UK roles by 2025. This is not measured at an individual business level. Gender and ethnicity pay gap data now forms part of NatWest Group's Annual Report and Accounts.

Community

We have a long and distinguished history of supporting philanthropic causes. We draw on this legacy through our support of the Coutts Charitable Foundation ("the Foundation"). The Foundation was established to support sustainable solutions that tackle the causes and consequences of poverty. The core focus of the Foundation is supporting women and girls in the UK and the performing arts community.

Our award-winning Coutts Institute has also continued to support clients with their philanthropic needs.

We support our communities in a variety of ways, including the donation of over £480,000 from both colleague fundraising and our clients via our Thank You from Coutts reward programme. This year our colleague charity of the year was Future Frontiers, a charity which supports disadvantaged children through education and provides them with the skills for further education or employment.

We have continued our support of St Saviour's & St Olave's, a local girl's school, and via our Thank You from Coutts rewards programme our clients have donated 169 iPads to assist students during the pandemic. Over 90 students have participated in our mentoring programme which supports students to achieve their individual goals.

Climate

Climate change is a critical global issue which has significant implications for all our stakeholders. We have a responsibility to address emerging climate risks and support the wider NatWest Group climate ambitions.

Our ambitions, which support NatWest Group's, include:

- to reach net zero emissions across our managed investments by the end of 2050;
- to halve the level of carbon intensity of our discretionary portfolios and funds by the end of 2030 (compared to 31 December 2019);
- 50% of our mortgage book to be secured against homes with an Energy Performance Certificate (EPC) rated C or above by the end of 2030;
- exclusive use of renewable electricity in our direct operations by 2025.

We reduced the carbon intensity of equity holdings of all funds and discretionary¹ portfolios by an average of 38%² (compared to 31 December 2019).

Carbon intensity is calculated as carbon emissions per \$1 million of sales. As of 31 December 2021, this is only measured for equity holdings as data availability is better than for other asset classes. On average, as of 31 December 2021, equity holdings make up 60% of the total assets in all funds and discretionary portfolios. Carbon intensity data is sourced from third party sources, at fund and underlying company level, and is used to calculate the weighted average carbon

¹ In 2021, funds and discretionary portfolios represented £27 billion or 91% of our assets under management.

² External data used in calculations is based on data at 30 September 2021.

intensity for all in-scope assets under management. Where external data isn't available, proxies are selected that match the company/fund characteristics³.

Governance

The Board oversees our response to climate-related risk and opportunities. During 2021 the Board has discussed our climate strategy and received targeted training to support ongoing oversight.

The Private Banking Climate Change Working Group ('PBCCWG') is a sub-committee of the Wealth Businesses Risk Committee, established to ensure we are embedding climate-related activity within the business, focusing on the development of our strategy, risk management framework, setting of our risk appetite and performance against appetite with respect to climate risks. The overall response to climate-related risk is managed by the Wealth Businesses Executive Committee.

Climate-related risks and opportunities within our asset management business are managed by the Investment Committee and the Asset Management Risk Forum. Relevant output from these meetings is presented to the PBCCWG before progressing to the Wealth Businesses Risk Committee. Our Responsible Investing Policy and Stewardship Policy, which are available on [coutts.com](https://www.coutts.com), set out our approach to integrating ESG into our investment decision-making process.

Climate strategy

Most of our carbon footprint is as a result of our investment and lending activities. We are already taking significant steps to reduce this.

We plan to reduce the level of carbon intensity of our discretionary portfolios and funds by 50% by the end of 2030 (compared to 31 December 2019). To support this ambition, we have divested from high-impact fossil fuels in our funds managed by Blackrock excluding any companies that derive more than 5% of their revenue from thermal coal extraction, Arctic oil and gas and tar sands and more than 25% of revenue from thermal coal generation.

We are a member of the Net Zero Asset Managers Initiative, a global alliance of 128 asset managers collaborating to achieve net zero emissions by 2050 or sooner.

We are also part of the Institutional Investors Group on Climate Change, a leading global investor membership body and the largest one focusing specifically on climate change. We are actively working with other investors to tackle climate change and to encourage the whole asset management industry to drive real progress by 2030.

We are striving to make our lending more sustainable. Our ambition is that 50% of our mortgage loan book will be secured against homes with an Energy Performance Certificate (EPC) rated C or above by the end of 2030.

To support this ambition, we offer green mortgages to clients to incentivise them to improve the energy efficiency of their homes. Our green mortgage product offers relevant clients a discounted arrangement fee for purchasing a more energy efficient home (EPC Grade A or B) or making improvements to their home to make it more energy efficient (EPC Grade C and above). As at 31 December 2021 we had received 179 applications for Coutts Green Mortgage products. This represents 7.4% of total mortgage applications in the year.

We launched a collaboration with Octopus Energy which intends to make it simple for clients and colleagues to move to electric vehicles. Through this initiative Octopus offers tailored advice, charging infrastructure funding solutions and access to some of the latest renewable technologies in a single solution to help clients and colleagues move to electric vehicles.

We were also among the first investment houses to buy into the UK government's debut green gilts issuance. These are a form of government debt where the proceeds are earmarked solely to be invested in environmentally beneficial projects.

We are founding supporters of the Queen's Green Canopy tree planting initiative and signatories of The Terra Carta, which aims to give fundamental rights and values to nature and create a more sustainable future.

Risk Management

Climate-related risk, in addition to the threat of financial loss, includes potential adverse non-financial impacts associated with climate change and the associated political, economic and

³ Climate metrics, particularly targets, projections, forecasts and other forward-looking climate metrics, used in this document merit special caution about their usefulness in decision-making as they are more uncertain than, say, historical financial information.

environmental responses. Physical risks may arise from climate and weather-related events such as heatwaves, droughts, floods, storms, and a rise in sea level. They can potentially result in financial losses, impairing asset values and the creditworthiness of borrowers. Transition risks may arise as borrowers adjust their business models towards a low-carbon economy. Changes in policy, technology and sentiment may prompt reassessment of customers' financial risk and may lead to falls in the value of a large range of assets.

Identified financial risk from climate change, is being embedded into our existing enterprise-wide risk management frameworks. This will help to enable informed risk-based decisions that support the delivery of our strategic objectives within the Board-approved risk appetite.

Climate related risks are being incorporated into our Risk Appetite Statement monitoring document.

For asset management, our strategic asset allocation is predominantly focused on equities and bonds. We source data³ from external data providers MSCI and Morningstar for the external investment funds in our multi-asset portfolios and funds. This helps us assess climate risk exposure within these assets. An overview of our risk process is provided in our stewardship policy, which is available on [coutts.com](https://www.coutts.com).

We have a detailed fund research process and have developed our approach to assessing ESG risks and opportunities, combining qualitative and quantitative datapoints and insights. The framework looks at the approach to responsible investing at three levels: firm, investment strategy and stewardship. Framework results are fed into our fund due diligence process and annual reviews. The insights gained throughout the due diligence process form the basis of our engagement with fund managers, and we track progress and incorporate this into our responsible investing score.

We have a responsibility to tackle climate issues through the investments we manage on behalf of our clients. One of the most important tools we have to create positive change is our own voice. Through our engagement provider, EOS at Federated Hermes, we engage with the companies we invest in about the issues our clients care about.

Supporting effective Board discussions and decision-making

Our Board Terms of Reference reinforce the importance of considering both *Our Purpose* and the matters set out in section 172 in Board discussions and decision-making. Our Board and Board Committee paper template includes a section for paper authors to explain how the proposal or update aligns with *Our Purpose* and a separate section for them to include an assessment of the relevant stakeholder impacts for the directors to consider.

Our directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and expectations of all stakeholders who are, or may be, impacted. For decisions which are particularly challenging or complex, we piloted an additional page to our template this year which provides directors with further information to support purposeful decision making. This additional page uses the framework of Blueprint for Better Business (an independent charity which aims to enable a better society through better business) as a base and is aligned to our broader purpose framework.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Bank, and also those that are significant to key stakeholders. One such principal decision taken by the Board during the year was becoming a B Corp certified bank.

Case Study – becoming a certified B Corp

In July 2021, we officially became a B Corp, which is a key step in our journey to meet the highest standards of social and environmental performance across the business. This was a carefully considered decision by the Board which sought to embed sustainability and *Our Purpose* ambitions into the strategy.

To support the Board in its decision-making, it received comprehensive papers prepared by management on ESG topics and how these may be embedded within the strategy, as well as the specifics of the B Corp accreditation process. During its discussions, the Board noted the stakeholder impacts of the proposal as well as acknowledging the potential opportunities which may arise, for example in terms of stimulating innovative thinking in relation to ESG and broader stakeholder issues.

Throughout consideration of the proposal, the directors remained mindful of their duties under section 172 including the impact on community and environment. The Board discussed in detail the various stakeholders that would be impacted, with management engaging directly with the certifying body ('B Lab') and NatWest Group, providing feedback to the Board on any additional considerations identified as a result. Considering relevant stakeholder interests is key to purposeful decision-making.

As a certified B Corp our articles of association were amended to require the Board to balance profit with purpose.

Following achievement of B Corp status, the Board has continued to receive regular updates on B Corp as well as broader ESG matters and how these support our strategic aims. In 2022, the Board expects to receive regular updates in relation to key climate matters.

This year Coutts was a founding member of the 'B Finance UK Coalition' which was launched at COP26 and also supported B Lab UK's Boardroom 2030 initiative.

Regulators

The Board recognises the importance of open and continuous dialogue with regulators. The Chair, CEO and Chair of the Risk and the Audit Committees meet regularly with the Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA) through Continuous Assessment and Proactive Engagement meetings.

Suppliers

The Board is mindful of the role suppliers play in ensuring a reliable service is delivered to clients, and of the importance of relationships with key suppliers, particularly in the current environment. The Board received updates on its suppliers on an ad hoc basis.

Information on NatWest Group's Supplier Charter, Modern Slavery Act Statement and Human Rights Statement can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Shareholder

The Bank recognises the benefits that being part of the wider Group provides, for example in terms of the ability to call on extensive IT and other specialist resources, including in relation to cyber-crime defences. The shareholder's perspective is provided through interactions at both management and Board levels. Cross referrals between clients of the Bank and clients of the wider NatWest Group have continued to increase.

Board changes

Following an external recruitment process, Sharmila Nebhrajani OBE was appointed to the Coutts & Co Board as a non-executive director in May 2021. Francesca Barnes stepped down as a non-executive director in October 2021, with Sharmila Nebhrajani OBE succeeding her as Chairman of the Coutts & Co Audit Committee and Coutts & Co Risk Committee.

Coutts Finance Co. – 2022

Directors' Duties and Engagement with Stakeholders

Section 172(1) of the Companies Act 2006 (Section 172) is one of the statutory duties that directors have and requires them to promote the success of the Company for the benefit of shareholders as a whole, while considering the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f). These include the long-term consequences of decisions, colleague interests, the need to foster the Company's business relationships with suppliers, customers and others; the impact on community and the environment, and the Company's reputation.

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172, and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date. NatWest Group has introduced a new approach to board and committee papers with greater focus on ensuring relevant stakeholder interests are clearly articulated and guidance on documenting decisions has been refreshed to ensure these are recorded in a consistent manner across NatWest Group.

RBS Collective Investment Funds Limited - 2022

Directors' Duties and Engagement with Stakeholders

Section 172(1) statement

This section of the Strategic Report forms the directors' statement required under section 414CZA of The Companies Act 2006 ('the Act'), describing how the directors have had regard to the matters set out in section 172(1) of the Act.

Section 172(1) contains one of the statutory duties of the directors: it requires them to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other stakeholders and matters as set out in s.172(1) (a) to (f). These include the likely long-term consequences of directors' decisions; employee interests; the need to foster the Company's business relationships with service providers, customers and others; the Company's impact on the community and environment; its reputation, and the need to act fairly between the Company's shareholders.

The NatWest Group's purpose – "We champion potential, helping people, families and businesses to thrive" is considered in Board discussions and decision making. This purpose forms a foundation for Board discussions and decisions and is formally built in to all proposals and updates.

Board training and support on s.172(1) duties

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including s.172(1), and regular 'teach-in' sessions are held on relevant topics.

Key Stakeholders

The Company's key stakeholders are: investors in the Funds ("customers"), NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged in the Company's work, material suppliers such as the Investment Manager (Coutts & Co), Transfer Agents, Fund Accountants, the Depository Blackrock (which co-manufactures some investment funds with the Investment Manager), as well as the Company's shareholder. These key stakeholders have been identified by virtue of contracts held by those stakeholders either directly with the Company or with the funds managed by the Company.

Customers

Servicing customers is one of the key pillars of the NatWest Group purpose: to champion potential, helping people, families and businesses to thrive. The Board pays careful attention to the outcomes that the Company's Funds deliver to its Customers and, through the Assessment of Value, sets out any proposed improvements to deliver on this commitment. This has been evidenced through a number of activities during 2022 including the launch of a number of new sub-funds, amendments to existing sub-funds, as well as a significant transfer of assets and customers into these under a scheme of reorganisation. This resulted in the delivery of a reduction in ongoing charges for customers benefitting from the increase in scale achieved during the year. The FCA's Consumer Duty has brought into regulatory focus the Board's ongoing cornerstone of delivering good customer outcomes.

Colleagues

A highly engaged workforce is crucial in helping NatWest Group to achieve its purpose. To achieve this, NatWest Group is striving to ensure it is a really great place to work.

Twice a year our colleagues are asked to share their views on what it is like to work for NatWest Group via a collective opinion survey. Our latest survey shows NatWest Group ahead in the majority of categories against the Global Financial Services norms.

Service providers

The Board that recognises the key role service providers - such as the Depository, Risk Manager, Fund Administrators, Transfer Agent, Investment Manager and Distributor - work to ensure that the Company delivers a reliable service to customers. During the year, the Board hold regular 'deep dive' sessions with individual service providers, as part of a regular Board-level engagement programme, in addition to the regular interactions and monitoring that took place at management level.

At the end of January 2022, the Company employed a new Customer Administrator for the Stakeholder Fund. However, service levels dropped below the Board's expectations, largely because the volume of inbound telephone calls was significantly higher than expected. The Board has worked closely with the new Administrator to resolve these service issues and the majority have now been addressed.

The Company is also committed to managing the wider social, environmental and economic impacts of its operations, which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to www.natwestgroup.com for NatWest Group's Modern Slavery Statement and details of the Group's new Supplier Charter, both of which apply to relevant subsidiaries within NatWest Group, including the Company.

The Supplier Charter, which replaced Group's previous Supplier Code of Conduct sets out expectations in terms of ethical business conduct, human rights, environmental sustainability, and diversity and inclusion. In line with the Group's purpose, it details not only what the Company expects from its suppliers, but also outlines what the Company's own commitments are in these key areas.

Community and Environment

The Company and NatWest Group are committed to tackling climate change. Investments held by the Funds are analysed by the Investment Manager on environmental, social and governance ("ESG") factors. Two targets have been set by the Investment Manager to reach net-zero emissions across our managed investments by 2050⁴:

- 50% reduction of on-scope AUM aligned to a net zero trajectory by 2025, increasing to 70% by 2030
- 50% reduction in the level of (scope 1 and scope 2) carbon intensity⁵ of the equity and corporate fixed income holdings of our in-scope AUM by the end of 2030 (compared with 31 December 2019)

Shareholder

The Company recognises the benefits that being part of a wider group provides, for example in terms of the ability to call on extensive IT and other specialist resources such as on cyber-crime defences. The shareholder's perspective is provided through interactions at management and board levels.

How stakeholder interests have influenced decision making

The Company recognises the importance of engaging with stakeholders to help inform the Company's strategy and board decision making. Relevant stakeholder interests are taken into account by the Board when it takes decisions.

The Company defines principal decisions as those that are material or of strategic importance to the Company and also those that are significant to any of the Company's key stakeholder groups.

In making its decisions, the Board considers the outcomes of relevant stakeholder engagement, as well as the need to maintain a reputation for high standards of business conduct and to consider the long-term consequences of its decisions.

During 2022 the directors considered the impact of merging RBS Stakeholder Investment Fund into the Personal Portfolio Balanced Fund and the transition of assets held in Equator ICAV to RBS Investment Funds ICVC. To support the Board in its decision-making, it received comprehensive papers prepared by management. During its discussions the Board noted the stakeholder impacts of this decision, notably to customers, and were mindful of their duties under section 172.

Please refer to the Annual Report and Accounts of NatWest Group plc for further information on NatWest Group's approach to stakeholder engagement.

FreeAgent Central Limited – 2021

Directors' Duties and Engagement with Stakeholders

Section 172(1) of the Companies Act 2006 (Section 172) is one of the statutory duties that directors have and requires them to promote the success of the company for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard

⁴ These targets apply to all discretionarily managed assets under management that are considered in-scope for net zero. For more information about NatWest Group interim targets, please see pages 38 to 39 of the Net Zero Asset Management's Initiative's Initial Target Disclosure Report (May 2022)

⁵ Carbon intensity is calculated as tons of scope 1 and 2 carbon emissions per \$1 million of sales

to the matters set out in Section 172(1)(a) to (f). These include the long-term consequences of decisions, colleague interests, the need to foster the company's business relationships with suppliers, customers and others; the impact on community and the environment.

Board training and support on s.172(1) duties

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172(1), and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date. NatWest Group has introduced a new approach to board and committee papers with greater focus on ensuring relevant stakeholder interests are clearly articulated and guidance on documenting decisions has been refreshed to ensure these are recorded in a consistent manner across NatWest Group.

Engagement with suppliers, customers and others

Customers are at the heart of everything NatWest Group does and the Board recognises the key role suppliers play in ensuring the company delivers a reliable service to customers. The company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to natwestgroup.com for NatWest Group's Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to relevant subsidiaries within NatWest Group.

Engaging colleagues

Engaging colleagues is crucial to the success of a company and the company benefits from NatWest Group's approach to colleague engagement. NatWest Group has a well-established colleague listening strategy designed to provide an open channel for colleagues to share their views.

NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2020, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discuss developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service.

NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2021 Annual Report and Accounts of NatWest Group plc and on natwestgroup.com.

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2021 Annual Report and Accounts, the NatWest Group plc 2021 Climate Related Disclosures Report and the NatWest Group plc 2021 ESG Supplement.

How stakeholder interests have influenced decision making

The company recognises the importance of engaging with stakeholders to help inform the company's strategy and board decision making. Relevant stakeholder interests, including those of colleagues, are taken into account by the board when it takes decisions. The company defines principal decisions as those that are material [or of strategic importance] to the company and also those that are significant to any of the company's key stakeholder groups.

All decisions taken by the board during the financial year were routine in nature but took account of relevant stakeholder interests, as appropriate.

Please refer to the Annual Report and Accounts of NatWest Group plc for further information on NatWest Group's approach to stakeholder engagement.

NatWest Trustee and Depositary Services Limited – 2022

Section 172(1) statement

In this statement we describe how our directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 (section 172) when performing their duty to promote the success of the company.

Engagement with stakeholders

The Board reviews and confirms its key stakeholders for the purposes of S.172 annually. For 2022 they remain colleagues, authorised fund managers, third party providers (such as custodians and data suppliers), regulators and the Company's shareholder.

Colleagues

Colleague engagement

As government advice relaxes around workplace, public transport, social distancing, self-isolation rules and the success of the vaccination roll out, the NWTDS introduced a new way of working with a hybrid approach to office and home working, appropriate to the needs of the role to enable us to continue to deliver for customers. Our office spaces now support a more flexible and dynamic working environment when we do spend time in the office.

The Company values the input of its colleagues and actively seeks opportunities to engage with them to contribute to on-going dialogue and activities to make the Company better for our customers and colleagues. The bi-annual colleague listening survey, known as 'Our View', provides valuable data to decision makers across NWTDS and the wider RBSI Group in support of improving employee engagement and satisfaction. NWTDS saw slight declines in each of the 3 core indexes of

Culture, Engagement and Leadership despite 3 years' steady improvement, as the Cost of Living Crisis impacted its population.

Diversity, Equity and Inclusion

The Company has a Diversity, Equity and Inclusion Policy and values and promotes diversity in all areas of recruitment and employment.

We work to avoid limiting potential through bias, prejudice or discrimination. The key principles of our Diversity Equity and Inclusion Policy are to attract, motivate and retain the best talent. We base the employment relationship on the principles of fairness, respect and inclusion. We comply with local laws on equality and Our Code, which sets out NWG expected behaviours and standards of conduct, to build and develop an inclusive workforce in order to understand and respond to our diverse customer base.

We are building on the progress we have made in our DE&I aims and objectives by maintaining a close working relationship with the One Bank Action Committee (OBAC) to ensure that our approach is aligned to a One Bank Mindset and leveraging additional resource and investment available in the Group. Our aim is to create a diverse, happy and healthy team across RBSI, with an inclusive culture that allows colleagues to thrive, and this ambition underpins our RBSI People Plan for 2023. We have committed to facilitating senior leadership support for our DE&I Champions and leveraging DE&I commitments helping build a more diverse and inclusive environment. We want to ensure that our DE&I targets (gender 37%, ethnicity 11%) are achieved by year end.

Championing the potential of our colleagues

We are committed to developing knowledge, skills and behaviours in a number of key critical capability areas that support our ambition and purpose. By encouraging a culture of continuous learning, knowledge sharing and reflective practice, we are ensuring that colleagues stay relevant and employable – and that we can adapt to the changing needs of our customers, communities and context.

Our approach to performance management provides clarity for our colleagues about how their contribution links to our ambition. Individual performance objectives are clearly linked to our vision and strategy.

We have a balanced approach to reward which recognises both what the individual has achieved and how they have achieved it. We recognise contributions that support our values and hold individuals to account for behaviour and performance that do not.

We have given our colleagues 3 learning for the future days a year – which they can use to build key skills and capabilities to help them succeed in the future. We are focussed on building a self-led learning culture and capability within our teams – and this is a key component of a number of our experiments for our Strategic Workforce Planning.

There are 4 key RBSI initiatives for supporting our high potential colleagues this year, and helping them to develop their careers. We are going to provide an inclusive Talent conversation framework to support line managers to hold effective career development conversation. We are focussed on identifying and developing our “Rising Stars”. We’re building a sponsorship and mentoring culture to continue to build a learning organisation and support our under-represented groups to thrive. We are also creating a Future Shapers cohort as part of the C&I JMT.

We are supporting our colleagues to fully engage with our Values and purpose with initiatives including our Thrive Values Journeys, Purpose Led Decision making workshops and encouraging colleagues to use the Thrive Leadership Experience. These are opportunities for colleagues to explore what the Values and Purpose mean to them in their everyday jobs and tasks – and they can experiment with different ways to “turn up the dial”.

Authorised Fund Managers and 3rd party providers

Customers are at the heart of everything NWG does, and the Board recognises the key role suppliers play in ensuring the Company delivers a reliable service to customers. The Company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to natwestgroup.com for NatWest Group’s Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to relevant subsidiaries within NatWest Group.

NWG joined the Net Zero Banking Alliance, working with financial organisations to help deliver the Paris Agreement. NWG has submitted 2030 sector emissions reduction estimates to the Science Based Targets initiative (SBTi) for validation and will continue to enhance availability of data to support future calculations of financed emissions and emissions intensities.

RBSIH Group, as part of NWG, achieved climate positive status for our own direct operations in 2022. In 2022, we used internationally recognised carbon credits which add environmental, social and community benefits. NWG plans to reduce the carbon footprint for our wider operational value chain by 50% by 2030 and achieve net zero by 2050.

During 2022 the business developed ESG compliance monitoring and insights tooling on its new, cloud-based platform for launch in 2023. The platform ingests independent third-party data to compare and contrast against client ESG investment objectives in order to provide a timely assessment of a client’s performance against them and the developing regulatory requirements. These capabilities continue to be developed in conjunction with client feedback and regulatory change.

Regulators

The RBSIH Group continues to deal with a range of significant risks and uncertainties in the external economic, political and regulatory environment including:

- Changes to the FCA Investment Firm Prudential Regime for MiFID Investment firms.
- Challenges adjusting to the UK’s new trading relationship with the EU and supply chain labour and material shortages caused by a range of factors including Covid-related, Brexit-related and specific industry issues.

The Company holds off balance sheet balances due to its fiduciary capacity. A CASS (Client Assets Specialist Sourcebook) audit is carried out separately on an annual basis for the UK Financial Conduct Authority. Ernst and Young LLP have provided this service during the 2022 period under the FRC’s CASS Audit Standard.

The Company has a dedicated CASS Supervisor in the FCA’s Resolution Strategy, Operations and CASS (ReSOC) team with whom the Company meet twice yearly to discuss CASS matters. The Company maintains an open dialogue with the CASS Supervisor between meetings, ensuring they are informed of material CASS breaches, material change projects, and other matters to which they would expect to be made aware of by the Company. The Company also completes the monthly Client Money and Asset Return (CMAR) as required.

The Company takes safekeeping of assets very seriously as this is one of the core activities of a depositary, the assets are held under the CASS rules. The Company has dedicated CASS resource focussed on ensuring compliance with the requirements in the FCA CASS sourcebook. This is reviewed on an annual basis by EY as the group's CASS Auditors.

Supporting effective Board discussions and decision-making

Our Board and Committee terms of reference reinforce the importance of considering both our purpose and the matters set out in section 172. Our Board and Committee paper template includes a section for authors to explain how a proposal or update aligns with our purpose and a separate section for them to include an assessment of the relevant stakeholder impacts for the directors to consider.

Principal decisions

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the company, or are significant to the Company and NatWest Group's key stakeholders.

How stakeholder interests have influenced decision making

The Company recognises the importance of engaging with stakeholders to help inform the Company's strategy and Board decision making. Relevant stakeholder interests, including those of colleagues, are taken into account by the Board when it takes decisions.

In making the following principal decisions, the Board considered the outcomes of relevant stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct.

The Board has approved a major transformation programme to modernise the Company's operating platforms and how data is dealt with, streamline its operating model and improve controls and evolve the business model to become the depositary of the future, all of which will benefit key stakeholders. During 2022, significant progress was made on building and developing the cloud native platform and its ingestion, processing and data insight capabilities, ready for go live in early 2023 with pilot clients.

Maintaining capital adequacy is critical to retaining investor confidence and protection. Effective and efficient capital planning is a core focus for NWTDS, balancing our commitment to maintaining safety and soundness with sustainable risk adjusted shareholder returns. On 6 April 2022, the Board of Directors approved a dividend of £9 million. Base case capital plan and stress test modelling support the payment of this dividend.

Lombard Business Leasing Limited - 2021

Stakeholder engagement and s.172(1) statement

The Company is a wholly owned subsidiary of NatWest Group plc. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

Our Stakeholders

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central plc, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

During the year, the board received regular updates on customer issues through Lombard customer satisfaction surveys, customer feedback and complaint volumes.

Further information on customers can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

The NatWest Group undertakes an Our View Survey twice a year to track levels of staff satisfaction and engagement. Further information on how NatWest Group engages with colleagues can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

The Company actively adopts the NatWest Group's purpose of championing potential, helping people, families, and businesses to thrive. In particular the Company is supporting customers to act on the risks and opportunities climate change presents and to transition to a low carbon economy.

Further information on communities and environment can be found in the NatWest Group plc 2021 Annual Report and Accounts, the NatWest Group plc 2021 Climate Related Disclosures Report and the NatWest Group plc 2021 ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct

and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and expectations of stakeholders who are, or may be, impacted.

All decisions taken by the board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2021 Annual Report and Accounts.

JCB Finance Limited - 2022

Directors' Duties and Engagement with Stakeholders

Section 172(1) statement

Section 172(1) of the Companies Act 2006 (Section 172) is one of the statutory duties that directors have and requires them to promote the success of the Company for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f). These include the long term consequences of decisions, colleague interests, the need to foster the Company's business relationships with suppliers, customers and others; the impact on community and the environment; the Company's reputation and the need to act fairly as between members.

The Company's key stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, the JCB Dealer network, JCB Finance employees (being full time and part time staff), and suppliers who support the Company in the provision of elements of its products and services. These key stakeholders have been identified by virtue of contracts and relationships held by those stakeholders directly with the Company. The range of engagement methods used by directors to understand the various stakeholder views and interests include Net Promoter Scores, complaint volumes, staff surveys and open lines of communication with the Dealer network at all levels within the business.

Directors are supported in the discharge of their duties by the Company Secretary. All Directors are aware of their statutory duties, including Section 172 and are aware of the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018.

Engagement with suppliers, customers and others

Customers are at the heart of everything JCB Finance does and the Board recognises the key role suppliers play in ensuring the Company delivers a reliable service to customers. The Company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to jcb-finance.com for the Company's Modern Slavery Statement.

Engaging employees

JCB Finance adopts a pro-active approach to employee engagement. The management structure provides open channels for employee communication and feedback, and confidential employee surveys are used to ensure employee views are taken into account in decision making.

How stakeholder interests have influenced decision making

The Company recognises the importance of engaging with stakeholders to help inform strategy and Board decision making. Relevant stakeholder interests, including those of employees, are taken into account by the Board when it takes decisions. All decisions taken by the Board during the financial

year were routine in nature but took account of relevant stakeholder interests, as appropriate. Please refer to the Annual Report and Accounts of the NatWest Group plc for further information on its approach to stakeholder engagement.

Lombard North Central PLC - 2022

Stakeholder engagement and s.172(1) statement

The Company is a wholly owned subsidiary of NatWest Group plc. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2022, the key stakeholder groups remained business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees (“colleagues” being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

Our Stakeholders

The Company’s key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

During the year, the Board received regular updates on customer issues through Lombard customer satisfaction surveys, customer feedback and complaint volumes. Further information on customers can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledges, colleague listening strategy, performance and reward, the NatWest Group Academy and diversity, equity and inclusion, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Regulators

NatWest Group operates in a highly regulated market which continues to evolve in scope. As such, we understand the need

to have an ongoing, constructive and open dialogue with all relevant regulatory bodies.

Further information on how NatWest Group engages with regulators can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose. The Company actively adopts the NatWest Group's purpose of championing potential, helping people, families and businesses to thrive. In particular the Company is supporting customers to take action on the risks and opportunities climate change presents and to transition to a low carbon economy.

Further information on communities and environment can be found in the NatWest Group plc 2022 Annual Report and Accounts, the NatWest Group plc 2022 Climate-related Disclosure Report and the NatWest Group plc ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence the Company's Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be impacted.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance to the Company, or are significant to any of the Company's key stakeholders.

Decisions were taken to pay interim dividends to the Company's sole shareholder. These decisions were made after careful consideration of the distributable reserves available to the Company and the effect of the distributions on the Company's long-term success.

Other decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Lombard Finance Limited – 2022

Directors' Duties and Engagement with Stakeholders

Stakeholder engagement and s.172(1) statement

This section of the Strategic Report describes how the board of directors of the Company (the "Board") have had regard to the matters set out in section 172(1) (a) to (f), and forms the directors' statement required under section 414CZA, of the Companies Act 2006.

The Company is a wholly owned subsidiary of NatWest Group plc. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

Our Stakeholders

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central PLC, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues" being full time, part time, contractors and agency staff employed by NatWest Group plc) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development, and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on NatWest Group's Supplier Charter can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2021 Annual Report and Accounts, the NatWest Group plc 2021 Climate-related Disclosures Report and the NatWest Group plc 2021 ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence the Company's Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always

possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be impacted by its decisions.

All decisions taken by the Board during the financial year were routine in nature but considered relevant to stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2021 Annual Report and Accounts and on natwestgroup.com.

Lombard Lessors Limited - 2022

Directors' Duties and Engagement with Stakeholders

Stakeholder engagement and s.172(1) statement

This section of the Strategic Report describes how the board of directors of the Company (the Board) have had regard to the matters set out in section 172(1) (a) to (f), and forms the directors' statement required under section 414CZA, of the Companies Act 2006.

The Company is a wholly owned subsidiary of NatWest Group plc. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

Our Stakeholders

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central PLC, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues" being full time, part time, contractors and agency staff employed by NatWest Group plc) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development, and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on NatWest Group's Supplier Charter can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2021 Annual Report and Accounts, the NatWest Group plc 2021 Climate-related Disclosure Report and the NatWest Group plc ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence the Company's Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be impacted by its decisions.

All decisions taken by the Board during the financial year were routine in nature but considered relevant to stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2021 Annual Report and Accounts and on natwestgroup.com.

Lombard Maritime Limited - 2022

Stakeholder engagement and s.172(1) statement

This section of the Strategic report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the directors' statement required under section 414CZA, of the Companies Act 2006.

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2022, the key stakeholder group remained its sole shareholder Lombard North Central PLC, which manages relationships with other stakeholders on behalf of the Company.

Our Stakeholders

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development, and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc Annual Report and Accounts, the NatWest Group plc Climate-Related Disclosures Report and the NatWest Group plc ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence the Company's Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be, impacted.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company or are significant to any of the Company's key stakeholders. All decisions taken by the Board during the financial year were routine in nature but considered relevant to stakeholder interests, as appropriate. During the previous year, the immediate parent company, Lombard North Central PLC, completed a review over activities of Lombard North Central PLC and its subsidiaries. Arising from that review, a decision was taken by the immediate parent company that the Company cease to take on new business with effect from 1 January 2021. The Company will continue to trade over existing business as it runs down.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc Annual Report and Accounts.

Stakeholder engagement and s.172(1) statement

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2022, the key stakeholder groups remained:

Our Stakeholders

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

During the year, the Board received regular updates on customer issues through Company customer satisfaction surveys, customer feedback and complaint volumes.

Further information on customers can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development, and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity, and inclusion, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2022 Annual Report and Accounts, the NatWest Group plc 2022 Climate Related Disclosures Report and the NatWest Group plc 2022 ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of the company and the long-term consequences of its decisions.

However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be, impacted.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company, or are significant to any of the Company's key stakeholders.

This statement describes examples of principal decisions taken by the Board during 2022.

Approving dividend distributions

Factors considered:

- profitability forecast and budget;
- distributable reserves; and
- capital support deed

What was the decision-making process?

In June and December 2022, the decision was taken to pay interim and final dividends to the Company's sole shareholder. The Board's decisions were made after careful consideration of the distributable reserves available to the Company and a key focus of Board-level discussions was how surplus capital was being managed.

How did the directors fulfil their duties under section 172? How were stakeholder interests considered?

Again, in taking decisions, the directors were mindful of their duties under section 172. For the dividend decisions the directors were particularly focused on whether the declaration of a dividend would support the long-term sustainable success of the Company.

How was NatWest Group's purpose considered as part of the decision?

The Board is aware that in taking decisions on profit reserves distributions, it also needs to consider the financial implications of those decisions in terms of continuing to support customers and maintaining financial stability.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Lombard Technology Services Limited – 2021

Stakeholder engagement and s.172(1) statement

This section of the Strategic report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the directors' statement required under section 414CZA, of the Companies Act 2006.

The Company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making. For 2021, the key stakeholder group remained its sole shareholder, Lombard North Central PLC, which manages relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest Group employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

Our Stakeholders

The Company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2021 Annual Report and Accounts, the NatWest Group plc 2021 Climate Related Disclosures Report and the NatWest Group plc 2021 ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the

Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be, impacted.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the Company, or are significant to any of the Company's key stakeholders.

Description of Principal Decision

All decisions taken by the Board during the financial year were routine in nature but took account of relevant stakeholder interests, as appropriate.

During the year a review was carried out over the activities of the immediate parent company, Lombard North Central PLC and its subsidiaries which was overseen by the board of Lombard North Central PLC. As a result of that review, it has been determined that it is in the best interests of Lombard North Central PLC that the Company cease to take on new business. The Company continues to trade over existing business as it runs down.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2021 Annual Report and Accounts.

Royscot Trust PLC – 2022

Stakeholder engagement and s.172(1) statement

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

Our Stakeholders

The company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Lombard North Central plc, which manages the relationships with other stakeholders on behalf of the Company.

The Company's indirect stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

Further information on customers can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2022 Annual Report and Accounts, the NatWest Group plc 2022 Climate Related Disclosures Report and the NatWest Group plc 2022 ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be, impacted.

Principal decisions are those decisions taken by the Board that are material, or of strategic importance, to the company, or are significant to any of the company's key stakeholders.

On 16 December 2022 a decision was taken to pay a final dividend to the Company's sole shareholder. That decision was made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on the Company's long-term success.

Other decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Stakeholder engagement and s.172(1) statement

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

Our Stakeholders

The company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, NatWest Markets Plc, which manages the relationships with other stakeholders on behalf of the Company.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

During the year, the Board received regular updates on customer issues.

Further information on customers can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2022 Annual Report and Accounts, the NatWest Group plc 2022 Climate Related Disclosures Report and the NatWest Group plc 2022 ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families and businesses to thrive - continues to influence Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be, impacted.

All decisions taken by the Board during the financial year were routine in nature but considered relevant stakeholder interests, as appropriate.

Further details on how NatWest Group plc engages with its stakeholders can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Care Homes 2 Limited - 2022

Stakeholder engagement and s.172(1) statement

The company is a wholly owned subsidiary of NatWest Group plc and has no direct employees. As such, its operations are aligned to the strategy and purpose of NatWest Group plc and it follows the policies and procedures of NatWest Group plc, as applicable. This is reflected, as appropriate, in the disclosures below.

Board engagement with stakeholders

NatWest Group recognises the importance of engaging with stakeholders and understanding their views, to help inform strategy and Board discussions and decision-making.

Our Stakeholders

The company's key stakeholders and the engagement methods used by directors to understand their views and interests are set out below.

The Company's key stakeholder is its sole shareholder, Care Homes Holdings Limited, which manages the relationships with other stakeholders on behalf of the Company.

Customers

At NatWest Group, we want to know what our customers think about us. It helps us better understand their needs and improve the products and services we offer.

During the year, the Board received regular updates on customer issues. Further information on customers can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Colleagues

We want NatWest Group to be a great place to work. By offering a fulfilling job, a healthy workplace, fair rewards, excellent development and great leadership, we believe together our colleagues can thrive and unlock the full potential of NatWest Group.

Information on how NatWest Group engages with colleagues, including details of the People Pledge, Colleague listening strategy, Performance and reward, the NatWest Group Academy and Diversity, equity and inclusion, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Suppliers

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chains.

Further information on suppliers, including NatWest Group's Supplier Charter, can be found in the NatWest Group plc 2022 Annual Report and Accounts.

Communities and environment

Making a positive contribution to the communities in which we live and work is integral to delivering on our purpose.

Further information on communities and environment can be found in the NatWest Group plc 2022 Annual Report and Accounts, the NatWest Group plc 2022 Climate Related Disclosures Report and the NatWest Group plc 2022 ESG Supplement.

Supporting effective Board discussions and decision-making

NatWest Group's purpose – championing potential, helping people, families, and businesses to thrive - continues to influence Board discussions and decision-making.

Relevant stakeholder interests, including those of colleagues, customers, suppliers and others are considered by the Board during its discussions and when it takes decisions. In making its decisions, the Board also considers the need to maintain a reputation for high standards of business conduct, and the long-term consequences of its decisions. However, Directors are mindful that it is not always possible to achieve an outcome which meets the requirements, needs and/or expectations of all stakeholders who are, or may be, impacted.