

# Our purpose in action.



# Group Chief Executive Officer's statement

**Alison Rose**  
Group Chief Executive Officer



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

Welcome to NatWest Group's first Environmental, Social and Governance (ESG) supplement, which I hope will provide you with a deeper understanding of the work we are doing to tackle the most pressing challenges facing our customers, communities and society as a whole. In these pages, you will see how our purpose-led strategy, underpinned by our focus areas of enterprise, learning and climate, is helping us to drive positive change on ESG matters.

We made strong progress on our ESG priorities in 2020. Nonetheless, as a relationship bank supporting the day-to-day financial needs of 19 million customers and 1 in 4 businesses in every region of the UK and Ireland, we always have the opportunity to do more.

Our response to COVID-19 has shown this organisation at its best, as we pivoted our operations at pace to support our customers, prioritised the safety and wellbeing of our colleagues, and leveraged existing partnerships to support the most vulnerable in society. We will harness this energy as we support our customers and the wider UK economy to rebuild more sustainably in the months and years ahead.

We were proud to become a founding signatory to the UN Principles for Responsible Banking (PRB), committing to aligning our strategy with the 2015 Paris Agreement and UN Sustainable Development Goals (SDGs). Our three areas of focus are mapped to seven SDGs and in the additional disclosures of this supplement, we have published our first self-assessment of progress on all six principles. We are committed to making further progress and working collaboratively with the global community on environmental and societal goals.

### Protecting the environment

Climate change is the biggest challenge facing our planet, and the financial sector has a critical role to play in tackling it. At NatWest Group we are determined to lead the way, and we are proud to be a principal partner and the banking sponsor of the UN's COP26 later this year. Our contribution to the climate challenge starts with our own operations, which became Net Zero Carbon in 2020 and are targeted to be Climate Positive by 2025. In 2020 we achieved our interim target of using 90% renewable electricity coverage in our direct operations.

We were the first UK bank to publish estimates of our financed emissions for residential mortgages and financing in three commercial sectors (agriculture, automotive manufacturing and oil & gas extraction). We also developed emissions intensity estimates and identified a path to meet the objectives of the 2015 Paris Agreement in 2030 and 2050 for three of these sectors.

We're also supporting our customers to make necessary changes. We have revised our policies to reduce the financing of coal, oil and gas projects. And in 2020, we supported our customers with £12 billion of new climate and sustainable financing and funding, alongside launching climate-related propositions such as a Green Mortgage, offering a lower interest rate to customers purchasing energy-efficient homes.

### Our responsibility to society

During the pandemic, NatWest Group has been there to provide help and support to those who needed it most. Whether it was through the extraordinary measures of financial support we put in place, the transformation of our head office into a charity distribution hub or the donation of £10 million to the National Emergencies Trust COVID-19 appeal, our purpose has been shown to sit at the heart of everything we do, every single day.

Events of the last year have shown we must redouble our efforts to reduce the barriers that are holding back too many in our society. Our report, 'Banking on Racial Equality', sets out additional steps we are taking to champion the potential of Black, Asian and Minority Ethnic customers, colleagues and communities. We know it is more difficult than it should be to start up and then grow a business, particularly for female and Black, Asian and Minority Ethnic entrepreneurs. That's why, last year, we made a commitment to support 50,000 new businesses to start up by 2023, concentrating our efforts on underrepresented groups and on geographical inequality.

Good money management is an essential life skill. We want to improve people's lives by reaching 2.5 million people each year through financial capability interactions, such as our financial health checks and our flagship financial education programme, MoneySense, which has reached more than 9 million young people since it was launched in 1994.

### Strengthening our governance

We continue to strengthen our governance structures. We have embedded our climate targets into executive director remuneration, underlining the leadership's commitment to building a more sustainable future. We also want to develop more sustainable relationships with our network of suppliers. In 2020, we launched our new Supplier Charter, outlining what we expect from our suppliers and setting out our own commitments when it comes to ethical business conduct, human rights, environmental sustainability, diversity and inclusion, the Living Wage and prompt payment. And with 59,900 colleagues, we take our obligations as a responsible employer extremely seriously. At the onset of the coronavirus

pandemic, we offered reassurance to all colleagues that we would continue to pay them, in full, even if they fell ill or were off work with caring responsibilities. And we remain committed to supporting all our front-line colleagues to obtain a professional qualification within their first 18 months in role, enhancing their skills and giving them an even stronger foundation from which to help our customers.

### Building a sustainable future

While we don't yet know what the long-term impact of the coronavirus pandemic will be, we do know the crisis has had a profound effect on society and on how we live and work. Many of the changes we've seen over the last year are likely to remain with us long into the future. These changes bring with them challenges, but also opportunities to do things better. As you will see in the pages that follow, our resolve to achieve our ESG priorities and to deliver on our purpose has only strengthened over the last year. And, as we look to a future beyond coronavirus, we will build on the strong progress we have already made to shape a more sustainable future for all our stakeholders, while – crucially – delivering long term sustainable returns to our shareholders.

**Alison Rose**  
Group Chief Executive Officer

# Our 2020 reporting suite

All contained within the  
2020 NatWest Group Annual Report and Accounts

## Strategic report and business review

An overview of our business, our 2020 financial and non-financial performance and progress in terms of our purpose-led strategy to champion potential, helping people, families and businesses to thrive.

## Governance and remuneration report

A detailed review of our corporate governance and remuneration, including the report of the directors and annual report on remuneration.

## Risk and capital management report

A detailed overview of the management of key risks relating to our business operations and disclosures on our capital, liquidity and funding position.

## Financial statements

Our financial statements and related notes, including the independent auditor's report.

## Company announcement and Financial supplement

Our latest company information including our financial performance for the year with a focus on key metrics and measurement. The financial supplement provides key financial performance data for the nine quarters ended 31 December 2020.

## Climate-related disclosures report

Details our progress in 2020 on our climate ambitions including an overview of our approach to climate-related strategy, scenario analysis, risk management and metrics.

## ESG supplement

Provides an overview of our purpose in action and key environmental, social and governance matters including progress in 2020.

## Pillar 3 report

Focuses on our regulatory reporting requirements and provides an explanation of our risk profile, including our capital adequacy, our risk appetite and risk management.

## natwestgroup.com

In addition to the above reports, we provide key subsidiary reporting, quarterly results, other periodic and archived reporting. Other stakeholder resources are also provided including investor slides, presentations and factbooks and reporting in relation to our GSS bond issuance.

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# Building a purpose-led bank

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# Our strategy and highlights

## Our purpose-led strategy

**In 2020, NatWest Group set out to build a purpose-led bank.**

Our purpose, to champion potential, helping people, families and businesses to thrive, was shaped by working closely with Blueprint for Better Business, an independent charity which aims to create a better society through better business.

Being purpose-led means we strive to create value for all the lives we touch by being honest and fair with our customers and suppliers, acting as a responsible employer, operating as a good citizen in our communities, and being guardians for the next generation.

Underpinning everything, we strive to meet standards and conditions that ensure we operate as a responsible business, particularly around important matters such as conduct, fair pay, taxes, customer safety and human rights. Pages 53-82 cover this in detail.

Our purpose-led strategy aims to deliver long-term sustainable performance and seeks to accelerate social value in areas where we can make a meaningful contribution: by helping to minimise the impact of climate change; championing enterprise; and supporting learning inside and outside the bank. We call these our focus areas and they are informed by seven Sustainable Development Goals (SDGs) along with continual external stakeholder input. Pages 24-52 cover our performance in these areas.

We also recognise that embedding our purpose into everything we do will take time. We are focused on how to make balanced decisions that factor in the impact on multiple stakeholder groups. We are taking an integrated approach to governance; one that ensures our purpose is appropriately embedded within our existing governance framework and processes and seeks to put purpose at the heart of our business. Pages 15-16 cover this in greater detail.

### A Blueprint for Better Business

**Honest and fair with customers and suppliers**

**A good citizen**

**Our purpose**  
We champion potential, helping people, families and businesses to thrive

**A responsible and responsive employer**

**A guardian for future generations**

### Our focus areas

#### Climate

[Find out more on page 24](#)

#### Enterprise

[Find out more on page 37](#)

#### Learning

[Find out more on page 44](#)

### Excellence in responsible business

[Find out more on page 53](#)

# Our strategy and highlights

## Our purpose-led strategy continued

When we set out to build a purpose-led bank, we recognised the need to become a more sustainable bank at the core, resilient to future environmental and social shifts, and better able to capitalise on the commercial opportunities that these shifts can also present.

At the centre of our approach is the belief that we must have a reciprocal relationship with society, the environment and the communities where we operate. As a large corporation we benefit from a range of social goods in the form of customer trust, deposits, an educated workforce, licences, protections and infrastructures, all of which enable us to operate. In return, through our purpose, we seek to create enhanced social value, seeing this as a healthy and natural expectation of us to do business.

Our purpose also has a powerful commercial imperative. If our customers succeed, so will we. Living and working in the same streets, towns and communities as our 19 million customers, we understand their worries, their hopes and the barriers that get in the way of them achieving their potential. We exist to champion that potential by supporting them at every stage of their lives. With this lifecycle approach, our purpose will create longer-term and deeper relationships with our customers, helping them, our communities and economy to thrive – and, in turn, deliver sustainable returns.

The measures we report on in this document are designed to illustrate how we have advanced in some of the areas where we have already committed to making further progress. We envisage these measures will adapt and expand over time as we are seeking to keep improving the understanding of our impact and the societal outcomes we can achieve.



















So, for us, being led by our purpose is a fundamental requirement of our social contract with the individuals, families, businesses and communities we serve.

“The past year presented some extraordinary challenges for our customers, colleagues and communities. We provided exceptional levels of support to those who needed it, including the approval of over £14 billion of lending under UK Government schemes, demonstrating that we have truly put our purpose at the heart of this business. Being purpose-led isn’t just the right thing to do, it has a powerful commercial imperative and is fundamental to building sustainable value in our business.”

**Alison Rose**  
Group CEO

# Our strategy and highlights

## A selection of our 2020 ESG highlights

<b>Honest and fair with customers and suppliers</b> <p>Over <b>£14.1 billion</b> of lending approved through government schemes, with <b>c.300,000 applications</b> approved.</p> 	<b>A good citizen</b> <p>We supported the <b>National Emergencies Trust Coronavirus Appeal</b> by matching <b>£5 million</b> of customer donations, contributing to a total donation of <b>£10 million</b>.</p> 	<b>A responsible and responsive employer</b> <p>We launched a report on <b>racial equality</b>, to make a meaningful, positive difference to colleagues, customers and communities from <b>Black, Asian and Minority Ethnic</b> backgrounds.</p> 	<b>A guardian for future generations</b> <p>We are the principal banking partner of <b>COP26</b> and we appointed <b>Lord Stern</b> as an independent advisor, highlighting our determination to be a leading bank in addressing the climate challenge.</p> 
<p>Our new <b>Supplier Charter</b> sets out changes in how we will better work with our suppliers in ethical business conduct, human rights and more.</p> 	<p>Edinburgh head office turned into a <b>charity distribution hub</b> helping Social Bite, Trussell Trust and Cyrenians to produce <b>over 1 million meals</b> for those in need since the start of March 2020.</p> 	<p><b>Climate goal, measures and targets</b> are embedded into Executive Director and ExCo <b>performance measures</b> and remuneration decisions.</p> 	<p>We provided <b>£12 billion climate and sustainable funding and financing</b> in 2020 against our £20 billion<sup>(1)</sup> commitment and we were externally recognised as the <b>leading lender to the UK renewables sector</b> by number of transactions over the past 10 years.</p> 
<p>We enabled <b>258,000 mortgage repayment holidays and payment holidays</b> on over <b>74,000</b> business customer accounts.</p> 	<p>We published our fourth annual <b>Modern Slavery and Human Trafficking Statement</b> and updated our <b>Human Rights Statement</b>.</p> 	<p>We've introduced a <b>virtual GP service</b> for all colleagues.</p> 	<p>We're the first major UK bank to sign up to the <b>Partnership for Carbon Accounting Financials (PCAF)</b>, and have now signed the <b>UNEP-FI Collective Commitment to Climate Action</b>.</p> 
<p>Typically over <b>95% of branches</b> were available each day during the pandemic in 2020 and our Contact teams provided 24/7 support.</p> 	<p>Our <b>direct community investment</b> in 2020 amounted to <b>over £11 million<sup>(1)</sup></b> as measured using the Business for Societal Impact benchmarking standard.</p> 	<p><b>98%</b> of front-line colleagues <b>professionally qualified/accredited</b> within first 18 months in role.</p> 	<p>We adapted <b>MoneySense</b>, our financial education programme, by streaming live weekly money lessons and launched <b>Island Saver</b>, the world's first free, children's financial education console game.</p> 

## Our ESG ratings performance<sup>(1)</sup>

Our **MSCI rating<sup>(2)</sup>** was upgraded to **AA in December 2020**, and it reflects our increased focus on embedding sustainable practices and a refinement in their rating methodology.

We improved our **Sustainalytics Risk score** (to 20.5), leaving us well placed relative to our peers in the sector. We have again been included in the **FTSE4Good Index**.

We've retained both our **C rating** and **Prime** status in the **ISS ESG Survey**, scoring in the **top 10%** of organisations in our industry.

We achieved a score of **A- in the 2020 CDP Climate Change Survey**, meaning we continue to outscore both the global and European averages as well as many of our peers in the financial services sector.

Coutts scored the highest possible rating **A+** (compared to a median score of A) for its Strategy & Governance on the **UN-supported Principles for Responsible Investment**, and received scores of As and Bs in line or ahead of its peers for all other categories. Full details [here](#).

Notes: (\*) Within the scope of EY assurance. Refer to page 115. (1) ESG ratings on this page are: (i) unsolicited; (ii) subject to the assessment and interpretation by the ESG rating agencies; (iii) provided without warranty; and (iv) not a sponsorship, endorsement, or promotion of NatWest Group by the relevant rating agency. (2) The use by NatWest Group of any MSCI ESG Research LLC or its affiliates ('MSCI') data do not constitute a sponsorship, endorsement, recommendation, or promotion of NatWest Group by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty.



# Our strategy and highlights

## A relationship bank for a digital world

We champion potential; breaking down barriers and building financial confidence so the 19 million people, families and businesses we serve in communities throughout the UK and Ireland can rebuild and thrive. If our customers succeed, so will we.

By breaking down barriers, smashing glass ceilings, pushing for equality and fighting for the climate, we are going to pave the way for a better future.



### Our Strategy

Our strategy is to deliver on our purpose and drive sustainable returns to shareholders through four strategic priorities.



### Areas of Focus

There are three focus areas of our purpose where we can make a meaningful contribution to our customers, colleagues and communities.



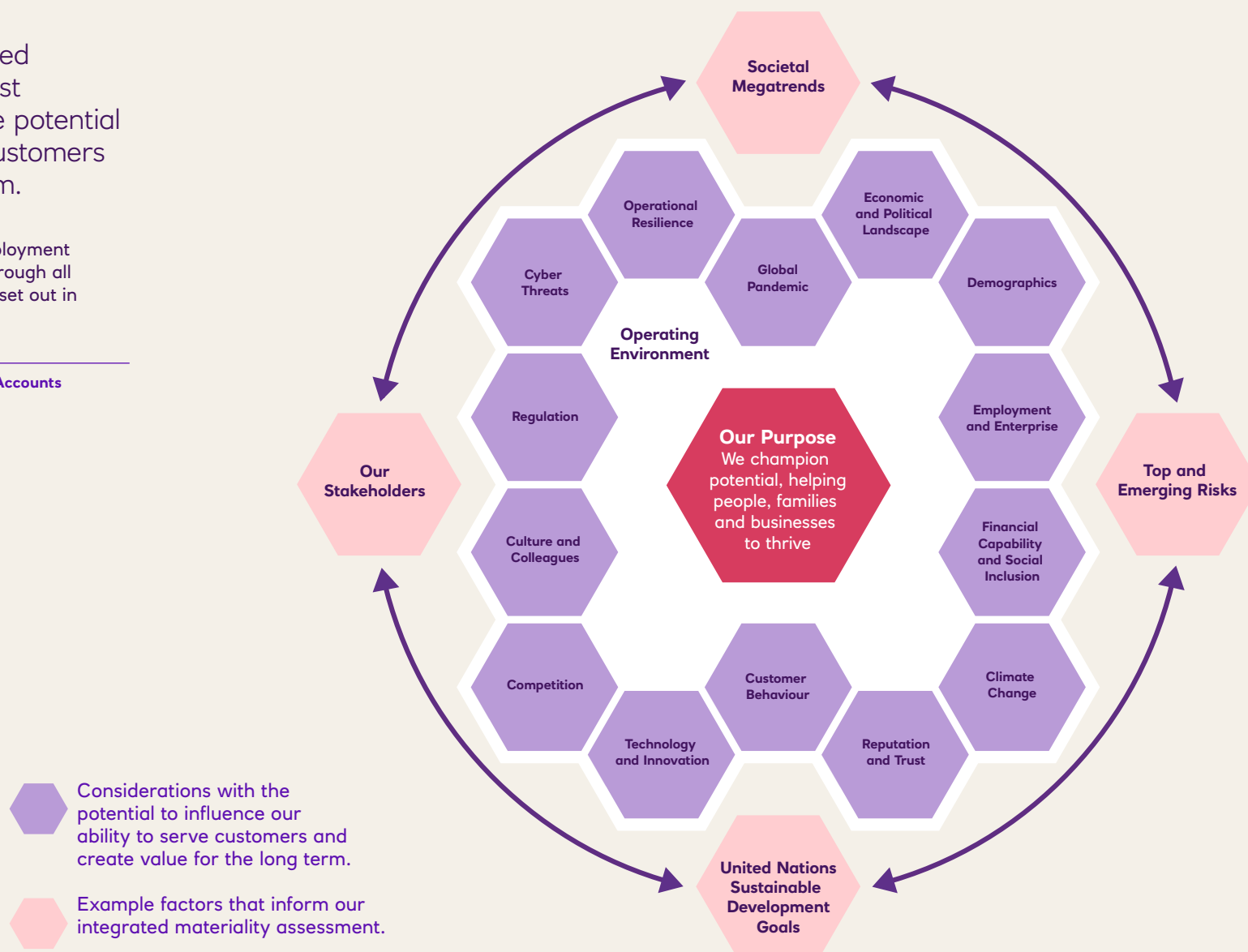
# Our operating environment

This illustration of our operating environment provides an integrated materiality assessment of the most important considerations with the potential to influence our ability to serve customers and create value for the long term.

In 2020 we added the Global Pandemic and Employment and Enterprise. The impact of COVID-19 runs through all considerations and is reflected in the definitions set out in the 2020 Annual Report and Accounts.



Refer to page 24 of the 2020 Annual Reports and Accounts for further details.



# How we engage with stakeholders

Guided by the Blueprint for Better Business, we seek to have a positive impact in all our relationships: from how we deal with our customers and suppliers; to creating an inclusive working culture; our responsible and transparent approach to tax; to giving back to our communities, upholding human rights and considering future generations.

We are operating as a responsible business and creating sustainable value for a wide range of stakeholder groups, as well as our shareholders.

 [Read more on the Blueprint for Better Business](#)

## Honest with customers and suppliers

We seek to build lasting relationships with customers and suppliers. We want to be simple to deal with, acting honestly with customers, providing products and services tailored to suit different needs. We aim to treat suppliers fairly, paying promptly what we owe and expecting suppliers to do the same.

## A good citizen

We consider each person affected by our decisions as if they were a member of our own organisation. We seek to provide access to opportunities for underrepresented groups. We make a full and fair contribution to society by structuring our business and operations to pay promptly all taxes that are properly due.

We treat everyone with dignity and provide fair pay for all. We enable and welcome constructive dialogue about our behaviour in keeping true to our purpose. We foster innovation, leadership and personal accountability. We protect and nurture all who work for us to ensure people also learn, contribute and thrive.

## A responsible and responsive employer

### Customers

Our retail, business, commercial and institutional customers

### Communities

The communities in which we operate, and wider society

### Suppliers

Our suppliers, who support us to deliver products and services to our customers

### Investors

Institutional equity and debt investors, UK Government, retail shareholders

**A purpose that delivers long-term sustainable performance**

### Colleagues

Our colleagues, who create and deliver products and services and are the face of our brands

### Regulators

Our regulators, who oversee our activities and undertake consultations and policy reform

We honour our duty to protect the natural world and conserve finite resources. We contribute knowledge and experience to promote better regulation for the benefit of society as a whole rather than protecting self interest. We invest in developing skills, knowledge and understanding in wider society to encourage informed citizenship.

## A guardian for future generations

## How we engage with stakeholders continued

We continue to improve the way we listen to all our stakeholders from customers to shareholders, so that we can address the areas of interest and concerns they have, as well as understand the way our decisions impact them, society and the natural world around us. Here we highlight examples of how we've listened and worked with some of them in 2020.

For more illustrative examples of how we engaged with our stakeholders, what we discussed and the outcomes of our engagement, visit:



[Our 2020 Annual Report and Accounts](#)

And the following sections of this supplement:



[Supporting our colleagues](#)

[Supporting our customers](#)

[Supporting our communities](#)

### Ready to respond to national emergencies

When the National Emergencies Trust (NET) was established at the end of 2019, NatWest Group got in touch to discuss how it could be ready to support whenever NET launched an appeal. This early engagement meant the Group was quick to raise the profile of the NET Coronavirus Appeal in March 2020 and mobilise colleagues and customers to donate £10 million.

“By being there beforehand and backing us when we were so new, NatWest Group helped ensure the success of our first appeal, and their quick response made a huge difference to the lives of those who have been hardest hit by the COVID-19 crisis in the UK.”

**Mhairi Sharp**  
CEO, National  
Emergencies Trust

### Listening to our people when it really matters

In 2020, we established a Taskforce led by the Chairs of our Multi-Cultural Employee Led Network to help the bank listen, learn and better understand what more we can do to champion the potential of everyone. Since then, we've published 'Banking on Racial Equality – A Roadmap for Positive Change', our report on racial equality for our customers, colleagues and communities.

“Rooting out systemic racism is everybody's business. We asked NatWest Group to support our 'Black Lives Matter and Business' webinar series, which explored the practical steps that companies can take to recruit, advance and retain Black talent as they are clearly determined to build a culture that will embrace inclusivity.”

**Cynthia Adebisi-Yekinni**  
UN Global Compact  
Network UK

### Deepening our relationships with our suppliers

We worked to support our suppliers' cash flow early in the pandemic by moving all UK and Ireland payments to immediate release. Our new Supplier Charter replaced our Supplier Code of Conduct and focuses on how, by working together towards common aims, we can achieve long-term sustainable impacts. We have also begun working with EcoVadis, an independent organisation to undertake evidenced-based assessments on our suppliers' sustainability and to identify areas of improvement.













“We are working with NatWest Group, helping them collaborate with suppliers on sustainability using a common platform, universal scorecard, benchmarks and performance improvement tools. By working as a network they can start to move the dial on sustainability.”

**Nicole Sherwin**  
EcoVadis

# How we create value

## Purpose-led and integrated value creation
















Being led by our purpose means we create value for other stakeholder groups: being honest and fair with our suppliers, acting as a responsible employer, operating as a good citizen in our communities, and being guardians for the next generation. Examples of how we create value are included below. For the full version, visit our 2020 Annual Report and Accounts or natwestgroup.com.

1. Our resources		3. How we create value for our customers and society	
 <b>Financial</b>  <b>Human and Relationships</b>  <b>Natural Resources</b>  <b>Infrastructure</b>		 <b>Supporting enterprise</b> <div>  <b>Our areas of focus</b>            For more information refer to page 6         </div>	
		<ul style="list-style-type: none"> <li>£32.4 billion gross lending to SMEs and mid-corporates in Commercial Banking.</li> <li>Since we brought our Entrepreneur Accelerator network in-house in 2018, a minimum of 2,416 jobs have been created by businesses supported through the Accelerator programme. 1,004 of these jobs were created in 2020.<sup>(1)</sup></li> <li>In January 2020 we launched our £1 billion funding for Female Entrepreneurs; as a result we lent over £1 billion to female entrepreneurs, which included support through the government loans schemes.</li> </ul>	<b>More opportunities for business and enterprise</b>
		 <b>Building financial capability</b> <ul style="list-style-type: none"> <li>We have helped over 600,000 customers to start to save and reached 2.9 million people through financial capability interactions.<sup>(1)(1)</sup></li> <li>MoneySense has been running for over 26 years, during which it has helped over 9 million young people.</li> </ul>	<b>Helping people make better financial decisions</b>
		 <b>Climate and sustainable funding and financing</b> <ul style="list-style-type: none"> <li>In 2020, we supported customers with £12 billion climate and sustainable funding and financing through 186 deals, for a range of customers on their decarbonisation ambitions.<sup>(1)</sup></li> <li>NatWest Group has been announced as principal banking partner of COP26.</li> </ul>	<b>Taking action on the risks and opportunities climate change presents to us and our customers</b>
2. Our business activities			
<b>Our strategy</b> Our strategy is to deliver on our purpose and drive sustainable returns to shareholders through four strategic priorities. Refer to page 9 for further details.			
<b>Our customers</b> We support our personal, business, commercial and institutional customers with financial services that meet their needs.			
<b>Our business model</b> We earn income from interest charged on lending to our customers and fees from transactions and other services. We pay interest to customers who place deposits with us and to investors who buy our debt securities.			
<b>Our products and services</b> We support the financial lives of our customers and drive economic growth through our well-known brands.			
<b>Our partners and networks</b> We work with a diverse range of partners to help shape our business strategy and deliver positive outcomes for customers and society.			
		 <b>Protecting our customers</b> <ul style="list-style-type: none"> <li>Prevented 572,665 cases of attempted fraud amounting to over £252.3 million in the UK.<sup>(1)</sup></li> <li>Malwarebytes, a security tool made available via our Online Banking platform, has been downloaded over 145,000 times.</li> </ul>	<b>Keeping money safe and accessible for our customers</b>
		 <b>Improving digital capability</b> <ul style="list-style-type: none"> <li>78% of our active personal current account customers are digitally active, using either mobile or online channels.<sup>(1)</sup></li> <li>We have 9.4 million active digital users. 7.7 million actively use our mobile app and 4.7 million use our online banking platform.</li> </ul>	<b>Offering customers more choice and ways to bank</b>
		 <b>Community and charitable giving</b> <ul style="list-style-type: none"> <li>Our colleagues and customers raised £10 million for the National Emergency Trust's (NET) Coronavirus Appeal.</li> <li>Our colleagues volunteered 13,599 hours. Good causes received over £3.2 million through colleague generosity.</li> </ul>	<b>Our colleagues make a difference supporting charities and local communities</b>
		 <b>A healthy and inclusive culture</b> <ul style="list-style-type: none"> <li>Progress continues on our inclusion agenda to value diversity in all its forms and to be gender balanced, ethnically diverse, disability smart and LGBT+ innovative.</li> <li>We flexed and evolved our existing wellbeing plans to build learning, provide practical tools and support our colleagues during the pandemic.</li> </ul>	<b>Building a great place to work that reflects the society we are proud to serve</b>

Notes: (\*) Within the scope of EY assurance. Refer to page 115. (1) Includes instances where customers had existing savings with other banks and transferred them in to their NatWest Group account.

## Supporting our customers, colleagues and communities as we respond to COVID-19

The dramatic spread of COVID-19 has disrupted lives and livelihoods, with effects being experienced throughout communities and businesses worldwide. Throughout 2020, we put in place extraordinary measures of financial and non-financial support, underpinned by something every bit as powerful – humanity, kindness and respect. There are challenging times ahead as the longer-term impacts of the pandemic become clear. NatWest Group is here to provide help and support to those who need it as we adapt to dramatic changes in the way we live and the way we work.

<p><b>Supporting our colleagues has been a priority during the crisis.</b></p>	<p><b>95%</b></p> <p>of colleagues think we're doing a good job responding to the pandemic.</p> 	<p><b>37,500</b></p> <p>Launched a Wellbeing Hub for colleagues with over 37,500 hits.</p> 	<p><b>50,000</b></p> <p>Home working quickly made available to over 50,000 colleagues.</p> 	<p><b>37,000</b></p> <p>Technology bundles delivered to colleagues' homes.</p> 	<p><b>GP</b></p> <p>Access to virtual GP and SilverCloud wellbeing platform for all colleagues.</p> 
<p><b>Supporting our customers by pivoting our operations at pace.</b></p>	<p><b>£14.1bn</b></p> <p>of lending approved through government schemes, with c.300,000 applications approved.</p> 	<p><b>NHS</b></p> <p>Dedicated phone lines for NHS staff.</p> 	<p><b>£5.0m</b></p> <p>cash delivered to vulnerable customers who couldn't access ATMs.</p> 	<p><b>480,000</b></p> <p>customers in vulnerable situations, contacted to check on their welfare.</p> 	<p><b>258,000</b></p> <p>mortgage repayment holidays and payment holidays on over 74,000 business customer accounts.</p> 
<p><b>Supporting our communities by helping the most vulnerable in society.</b></p>	<p><b>1 million</b></p> <p>Edinburgh head office turned into a charity distribution hub helping Social Bite, Trussell Trust and Cyrenians to produce over 1 million meals for those in need since the start of March 2020.</p> 	<p><b>£10m</b></p> <p>raised as we match customer donations for the National Emergency Trust (NET).</p> 	<p><b>£1m</b></p> <p>Coronavirus Response Fund distributed by bank supported charity, Social &amp; Community Capital.</p> 	<p><b>£5m</b></p> <p>Enterprise relief fund launched with The Prince's Trust.</p> 	<p><b>£1m</b></p> <p>donated to eight not-for-profit debt management organisations.</p> 

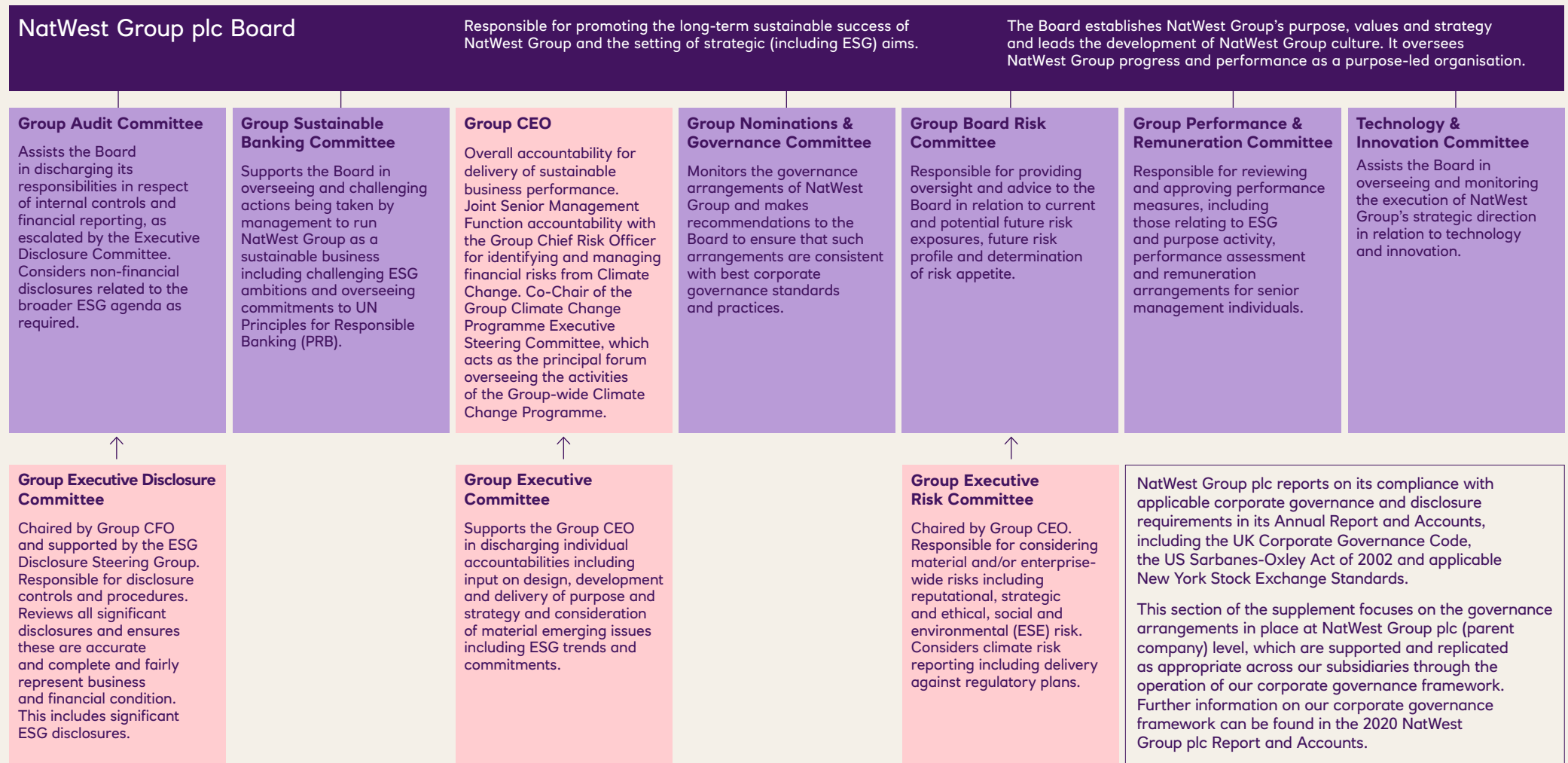


# Responsible governance

## How our corporate governance framework, roles and responsibilities support our purpose and appropriate ESG oversight

We are committed to the highest standards of corporate governance, business integrity and professionalism in all our activities. As we prepared for the launch of our new purpose-led strategy in February 2020, we opted for an integrated approach to governance, ensuring purpose was appropriately embedded within our existing corporate governance framework and processes, and that these would support appropriate levels of oversight on ESG issues. We'll continue to monitor the effectiveness of these arrangements.

As detailed in the table below, the NatWest Group plc Board and Board Committees all have a role to play in the delivery of this integrated governance approach.



■ Board Committee ■ Group CEO and Executive Committees

Note: This diagram shows the Board and Board Committee structure of NatWest Group plc, together with the responsibilities of the Group CEO and relevant executive committees on ESG matters.

# Responsible governance

## Key purpose and ESG governance activity and focus areas in 2020

**How our purpose guided the Board's response to COVID-19** – As the UK entered a national lockdown in March, our Board transitioned swiftly and smoothly to frequent virtual meetings. The Group CEO and wider executive management team kept the Board informed on our pandemic response, supporting effective Board oversight and challenge as the organisation pivoted its operations at pace, focusing on our customers' financial health, prioritising colleague safety and wellbeing, and helping our local communities. During the 2020 Board evaluation, directors commented positively on how our purpose guided Board discussions and decision-making during the pandemic.

## Reviewing roles and responsibilities –

The roles and responsibilities of the Board and its Committees were enhanced to ensure a strong focus on our purpose was built in to their respective Terms of Reference. Following review, it was confirmed that our existing corporate governance framework, roles and responsibilities would continue to support effective oversight of ESG issues, with no further changes needed.

**Enhancing papers** – Board and Board Committee papers now include a dedicated section which explains how the proposal or update aligns to our purpose, which is complemented by a section detailing stakeholder impacts. These features, embedded within our paper format, help to ensure that our purpose and stakeholders remain firmly at the centre of Board discussions, and supports the Board's oversight of NatWest Group's progress and performance as a purpose-led organisation.

**Board oversight in action** – The Board has been kept informed on progress made since our purpose was announced in February 2020. In October 2020 the Board received a comprehensive update on NatWest Group's progress towards becoming a purpose-led bank and progress against external sustainability commitments, covering achievements to date and future priorities.

**Board training** – With significant demands on Board time due to COVID-19, our Board training programme prioritised key areas of focus and included:

- A Board Climate Training session in October, at which the Board received an update on progress towards achieving our Climate ambitions.
- The Board's annual Financial Crime training session.

## How we listen and engage on purpose –

The Board engaged with key stakeholders throughout the year on a range of topics, including purpose. Further details on Board engagement with stakeholders can be found in our 2020 Annual Report and Accounts (section 172(1) statement).

## Regular updates and spotlight sessions –

The Board and Board Committees received a range of updates during the year covering ESG topics, including the following examples:

- The Group Board Risk Committee received regular updates on NatWest Group's operational risk profile and risk appetite, with a particular focus on resilience through COVID-19 whilst continuing to have oversight of the wider risk agenda. This included updates on financial crime, outsourcing, information security, cyber

risk and the external threat landscape, and action being taken by management in response. Reports were also received in relation to NatWest Group's payments risk and control environment and fraud. The Committee considered the bank's preparation for external regulatory developments including in relation to operational resilience and an assessment of preparedness for certain scenarios relating to interconnected risks.

- The Group Board Risk Committee also received quarterly updates on Managing the Financial Risk from Climate Change, including updates from the Group Climate Change Programme.
- The Group Sustainable Banking Committee (SBC) held a deep dive session focused on climate ambition in 2020, with external input from the Green Finance Institute and an update by management on progress against the UN Principles for Responsible Banking framework.
- The SBC also received a spotlight on Conduct & Ethics at which it considered how to ensure that the bank's commercial decisions remained safe and sound, with particular focus in 2020 on Ethical Conduct by Colleagues and the new internal 'YES Check', as well as the Group's approach to Modern Slavery and Human Rights, including the Supplier Charter.
- The Group Audit Committee considered non-financial disclosures related to the broader ethical, social and governance agenda, including the review of the purpose and ESG supplement disclosures.

- Money Laundering – The Group Money Laundering Reporting Officer provided their annual report to the Board on the operation and effectiveness of the systems and controls in place, in order to comply with anti-money laundering legislation and regulation. This report also included an assessment of the systems and controls in place to prevent terrorist financing, bribery and corruption, tax evasion, sanctions breaches and fraud.
- Fraud – The Board was kept informed throughout the year on the bank's management of fraud.

## Climate Governance

In line with the wider purpose and ESG governance model, Climate governance is integrated in existing committees and builds on their areas of responsibility and expertise. Details of this and management's role in assessing and managing climate-related risks and opportunities can be found in our 2020 Climate-related disclosures report.

Additional information on our approach to corporate governance can be found in the 2020 Annual Report and Accounts and on [natwestgroup.com](https://natwestgroup.com).

# Collective action

## UN Principles for Responsible Banking

As members of the United Nations Environment Programme Finance Initiative (UNEP FI) we were proud to become a founding signatory to the UN Principles for Responsible Banking (PRB) in September 2019.

Committing to align our strategy with the UN Sustainable Development Goals (SDGs) and the 2015 Paris Agreement, we are embedding the six principles of the PRB across our business.

Since becoming a signatory, we have joined The Collective Commitment on Climate Action and become active in the Gender Equality, Financial Inclusion, and Biodiversity Target Setting working groups, as well as joining the Impact Analysis and Reporting and Assurance groups.

The opportunity to share best practice, challenges, and learn from peer banks across the world is an important part of the PRB journey.

### Principle 1 Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the 2015 Paris Agreement and relevant national and regional frameworks.

### Principle 4 Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

### Principle 2 Impact & target setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### Principle 5 Governance & culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

### Principle 3 Clients & customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

### Principle 6 Transparency & accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

### Our first self-assessment reporting



Read the report on page 84



# Collective action

## UN Sustainable Development Goals












With a decade of action needed to meet the 2030 UN Sustainable Development Goals (SDGs), we recognise the impact we can have, both positively and potentially negatively, on all 17 goals. As signatories to the PRB, we are committed to further exploring our portfolio to identify and build on positive impacts and work collaboratively to understand any barriers to the SDGs that we can address.

Our three areas of focus prioritise our efforts on seven SDGs, which we have mapped to the SDG target level (see page 19). While the SDGs do not align perfectly with our business activity, we have adopted them as expressed in the SDG Compass (a business guide to action) and consider the impact and influence we have. The UN Global Compact (UNGC), United Nations Environment Programme Finance Initiative (UNEP FI) and Business in the Community (BiTC) have all helped guide our progress.

### Further progress on embedding SDGs:

- Embedded the SDGs into our Green, Social and Sustainability Bonds framework, and our Climate and Sustainable Finance eligibility criteria.
- Reinforced the importance of SDGs in our 2020 updated Human Rights Statement, Modern Slavery and Human Trafficking Statement and new Supplier Charter.
- Highlighted the activity that can support the SDGs in our case studies throughout our 2020 Annual Report and Accounts.
- Joined the UN Global Compact's working groups on Making Global Goals Local, and submitted a team of talented young colleagues for the 2021 Young SDG Innovator ten month accelerator programme.


























 [More details of our ongoing progress on Sustainable Development Goals can be found here](#)

Goal	Our focus for the Goal	SDG Targets for the Goal
	<b>Powered by partnerships</b> A strategic priority of NatWest Group is to be powered by partnerships, and progress across our three focus areas can only be achieved with collaboration.	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
<b>Climate: We are committed to being a leading bank in the UK and Ireland helping to address the climate challenge</b>		
	<b>Affordable and clean energy</b> We seek to ensure access to affordable, reliable, sustainable and modern energy for all.	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services. 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
	<b>Climate action</b> We urge action to combat climate change and its impacts.	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
<b>Enterprise: As the largest supporter of UK business, we champion anyone who wants to start or grow an enterprise</b>		
	<b>Gender equality</b> We're championing female entrepreneurship through dedicated funding and support from Women in Business Specialists.	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
	<b>Decent work and economic growth</b> We promote and support the potential of entrepreneurs to start-up and grow.	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
	<b>Reduced inequalities</b> We address the barriers for start-ups in underrepresented groups.	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
<b>Learning: Our ambition is to be a leading learning organisation, enhancing the financial capability of the UK and Ireland, as well as the skills of our colleagues</b>		
	<b>Quality education</b> We build financial confidence and resilience among our customers, colleagues and wider communities.	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.
	<b>Reduced inequalities</b> We seek to ensure that no one is excluded from basic financial capabilities and skills in the UK and Ireland.	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

# Collective action

## UN Sustainable Development Goals continued

As part of our ongoing process to align our strategy with SDGs we have mapped our focus areas to seven key SDGs at target levels as shown below.

Climate			Enterprise			Learning		
Leading bank in the UK and Ireland helping to address the climate challenge			The biggest supporter of start-ups in the UK and Ireland			Leading learning organisation; enhancing the financial capability of the UK and Ireland and the skills of colleagues		
Our targets		Striving to contribute positively to:	Our targets		Striving to contribute positively to:	Our targets		Striving to contribute positively to:
-50%	At least halve the climate impact of our financing activity by 2030.	  7.1 13.1 7.2 13.3	50,000	incremental new businesses created by 2023 through inspiring and supporting over 500,000 people.	 8.3	2.5m	people reached through financial capability interactions each year.	  4.4 10.2 4.6
50%	of our UK and Ireland customers' homes at or above EPC or equivalent rating C by 2030. <sup>(1)</sup>	  7.1 13.1 7.2 13.3	60%	of those inspired and supported will be female.	  8.3 5.5	2m	additional customers helped to start saving by 2023.	 10.2
£20bn	additional funding and financing for climate and sustainable finance by 2021.	  7.1 13.1 7.2 13.3	75%	of those inspired and supported will be based outside London and the South East.	  8.3 10.2	100%	front-line colleagues professionally qualified/ accredited within first 18 months in role.	 4.4
+	Climate Positive own operations by 2025.	  7.1 13.1 7.2 13.3	20%	of those inspired and supported will be Black, Asian and Minority Ethnic.	  8.3 10.2	UK	Social Mobility Apprenticeship Programme extended across UK.	  4.4 10.2 4.6
>15%	Stop lending and underwriting to companies with more than 15% of activities related to coal <sup>(2),(3)</sup> and to all major oil & gas producers, unless they have a credible transition plan. <sup>(2)</sup>	  7.1 13.1 7.2 13.3	10%	of those inspired and supported will be social purpose-led.	  8.3 10.2			



All three areas of focus are powered by innovation and collaboration in support of partnership for the goals, specifically target 17.17. For more detail on how we are part of collective action to drive change, see pages 20 and 21.



# Collective action

## Partnerships for the Goals

NatWest Group signatories

- Safe and fair communities
- A sustainable future
- Equality in the workplace

### UN Global Compact

We submit an annual communication on progress and achieved advanced-level status in 2020, demonstrating our progress against universal principles on human rights, labour, environment and anti-corruption. We align to the Compact's Guiding Principles on Human Rights, and joined their working groups on the SDGs and modern slavery.

### UNEP FI Principles for Responsible Banking

As a founding signatory, we have published our first public self-assessment report on page 84 of this document. We also signed up to Collective Commitment on Climate Action, aligning our services with Paris objectives.

### UN-supported Principles for Responsible Investment

Coutts signed up to the UN-backed initiative in 2018, and received the highest possible score A+ (compared to a median score of A) for its Strategy & Governance in 2020, and received scores of As and Bs in line or ahead of its peers for all other categories. Full details [here](#). The PRI sets out six investment principles that support the integration of ESG into investment practice.

### Science Based Targets initiative (SBTi)

Signing up to SBTi gives additional guidance on emission measurement methodology and adds an independent verification process for our Paris-alignment ambition. More information about our approach to the climate challenge can be found on page 26 of this supplement.

### The Climate Group

An international non-profit working to achieve Net Zero Carbon emissions by 2050. In 2019 we were jointly the first company to sign up to all three of their initiatives around renewable electricity (RE100), electric vehicles (EV100) and energy productivity (EP100). Information about our 2020 progress and 2021 plans can be found on page 30 of this supplement.

### The Financing a Just Transition Alliance

We were on the Advisory Committee for the LSE Grantham Institute's Banking on a Just Transition report and project and are members of its successor the Financing a Just Transition Alliance. Launched in November 2020, as a collaboration amongst banks, investors and financial institutions with academia and trade unions, the alliance aims to translate the growing commitment to a just transition across the financial sector into real world impact. This

means delivering the UK's climate goals, whilst providing positive social outcomes for both workers and communities, leaving no-one behind.

### Partnership for Carbon Accounting Financials

An industry-led partnership to facilitate transparency and accountability of the financial services industry to the 2015 Paris Agreement. The first major UK bank to sign up, we've committed to help enable harmonised assessments and disclosures of greenhouse gas emissions financed by loans and investments.

### Climate Action 100+

Coutts are a signatory to this investor initiative which works to ensure the world's largest corporate greenhouse gas emitters take necessary actions to reduce the effects of climate change. In addition to our own activity, we work with EOS at Federated Hermes, who are currently co-leading on 27 initiatives, achieving greater climate transparency at companies such as Total and BP.

### Taskforce on Climate-related Financial Disclosures (TCFD)

NatWest Group publicly committed to support the Financial Stability Board's TCFD recommendations in 2017. We have published our first standalone Climate-related disclosures in early 2021.

### HM Treasury Women in Finance

Demonstrating our commitment to creating gender balance, in early 2016 we were one of the first signatories to the HM Treasury Women in Finance Charter, requiring financial services firms to commit to four key industry actions which include publicly reporting on progress against the targets that we have in place annually.

For more examples of signatories that support diversity and inclusion in the workplace, please see pages 75-77.

### Race at Work Charter

In 2018, we became a founding signatory to the UK Government's Race at Work Charter to support our commitment to become a more ethnically diverse bank. The Charter has five calls to action which we have met and we report on our progress to Business in the Community annually.



# Collective action

## Partnerships for the Goals continued

NatWest Group memberships

■ A sustainable future  
■ Progress in industry

### Sustainable Markets Initiative (SMI)

NatWest Group and Coutts are proud to be founding partners of His Royal Highness The Prince of Wales' Sustainable Markets Initiative; focused on the need to accelerate global progress towards a sustainable future. Alison Rose and Peter Flavel have joined the SMI Financial Services Roundtables; and NatWest Group has provided the SMI with three secondees for one year to support its efforts.

### The Banking Environment Initiative (BEI)

The BEI is a group of global banks committed to pioneering actionable pathways towards a sustainable economy, initiated in 2010 with the support of His Royal Highness The Prince of Wales. We are part of the overall BEI working group and have participated in projects including: Soft Commodities Compact and BEI Financial Risks arising from Biodiversity Loss and Land Degradation.

### Equator Principles (EP)

We adopted the Equator Principles in 2003. These are a voluntary set of standards adopted by financial institutions

for determining, assessing and managing environmental and social risks in project-related transactions. All transactions that fall within the scope of the Equator Principles undergo environmental and social risk screening.

### Taskforce on Nature-related Financial Disclosures (TNFD)

We are a member of an Informal Working Group, tasked with establishing a detailed work plan for the Taskforce when it launches in 2021. The TNFD will build awareness and capacity to reduce the negative impacts of the financial sector on nature and biodiversity.

### Soft Commodities Compact

We have been a founding member of the Compact, led by the Consumer Goods Forum and the Banking Environment Initiative (BEI), since its inception in 2014. In 2020, we reported against the Compact for the first time, detailing the extent to which our customers are certified against palm oil, soy and timber standards.

### Business in the Community (BiTC)

A founding member since 1981, we work closely with BiTC across a number of areas including diversity & inclusion, enterprise & entrepreneurship, business resilience and responsible banking. In 2020, highlights included collaboration in the response to COVID-19, particularly around our Gogarburn Distribution Hub in Edinburgh, which supported charities to get non-perishable foods and hygiene products to vulnerable people. In addition, Alison Rose became Chair of the BiTC Scotland Leadership Board and a Trustee of BiTC.

### UK Finance

UK Finance is the collective voice for the banking and finance industry. In 2020, we have given input to various consultations where appropriate, including on topics such as young people's financial education, the Offender Banking Scheme, sustainable finance and access to cash.



## NatWest Group accreditations

### Living Wage Foundation

NatWest Group's commitment as a Living Wage accredited employer applies to everyone working for the bank in the UK and has been extended to colleagues who are employed via suppliers (e.g. cleaning, security and catering colleagues).



### Chartered Banker Institute

In February 2020 we became the first bank to be awarded Corporate Chartered status by the Chartered Banker Institute in recognition of our continuing investment in professional development and our commitment to professional values and advocacy.

Chartered Banker

### The Carbon Trust Standard for Zero Waste to Landfill

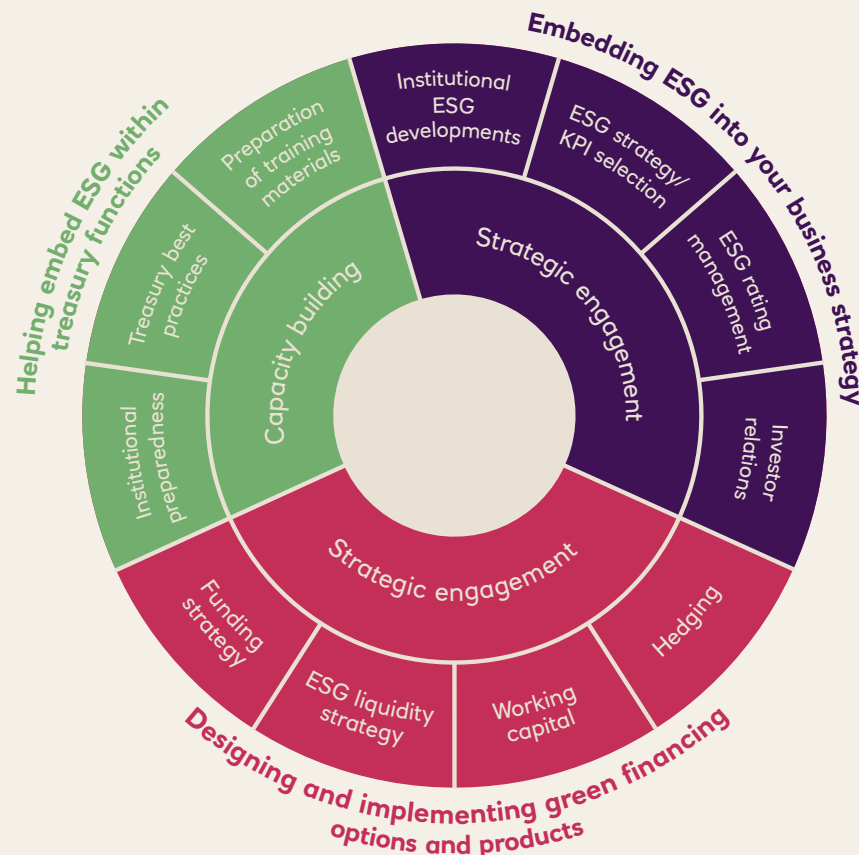
We first achieved certification in 2019. More information on our own operations can be found on page 30 and 33 of this supplement.



# Integrating ESG across our services and operations

## Providing ESG and Sustainable Finance Advisory to our corporate and institutional customers

NatWest Group takes an integrated, multi-product approach assisting clients across every aspect including ESG strategy, reporting and disclosure, ESG ratings and structuring sustainable finance products across the yield curve, including ESG-linked Euro Commercial Paper (ECP). This service is valued by many customers as they develop their own sustainability strategies or consider their transition. We very much look forward to joining our customers along their journey over the coming years.



## Facilitating the evolution of the sustainable bond market

2020 saw a 92% increase of issuance which NatWest Markets actively supported by lead managing 66 issues resulting in a notional volume of £45.6 billion<sup>(1)</sup>. Our client sectors include utilities, transportation, municipalities, sovereigns, supranationals and agencies that have raised funds to specifically finance environmental projects, as well as SME lending and health care facilities given the much needed response to COVID-19.

NatWest Markets actively engaged with investors to gauge their interest in social themes, alongside the Green agenda. The social bond market has seen an 8-fold increase versus 2019 highlighting a balanced response between environmental and social issues for a sustainable future. As a result, clients have entrusted NatWest Markets with their social and sustainable bond issues totalling £19 billion.

## Funding social and sustainable finance

We support solutions to societal challenges including access to housing, essential services, charities, education and development, health and social care, wellbeing and enrichment, vulnerability and equality. During 2020 we made a commitment to invest £3 billion in social housing over the next three years to support the development of 20,000 homes (new development and improvements to existing properties), building on our current £12 billion exposure to this sector. Across NatWest Group, teams advise social housing entities on their long-term funding strategies, which include loans and bonds, as well as sustainability bonds. NatWest Markets lead managed £3.3 billion of capital markets issuance for housing associations, making us the market

leader. In addition, we worked together with The Good Economy, housing associations, and other market participants to publish a White Paper establishing ESG reporting guidelines for the sector. We were the only bank contributing to this standard.

## Thought leadership and knowledge transfer play a vital role

To support internal and external knowledge sharing, we publish ESG-focused publications and host webinars regularly. Throughout 2020, we focused on the impact of COVID-19 and its effect on the financial markets, as well as our customers and their customers. In total, we have published 54 articles across ESG themes which can be found on our Corporates & Institutions website or AgileMarkets. In addition, we have hosted 29 webinars that have included institutional investors' ESG insights, corporate EU-Taxonomy best-practice, credit ratings' approach to ESG and an exchange of climate strategies amongst CEOs.

[▶ See video on highlights of Climate for Business](#)

[▶ For more information about our Climate-related products, refer to our Climate-related disclosures report 2020](#)

Note: (1) Includes: £22.7 billion Green bond public placement and green private placement that directly meet the CSFI criteria based on use of proceeds; £3.9 billion Other bond or private placement underwriting that falls within the CFSI criteria and includes certain general purpose loans and wider financing to a counterparty who can evidence (to NatWest Group's satisfaction through review of the borrower's profit and loss statement) 50% or more revenues from the categories and sectors outlined in the criteria; and £19 billion Other social and sustainable bond issuance.

# Integrating ESG across our services and operations continued

## An advisory approach to serve our customers in the developing ESG arena

NatWest Markets was bookrunner on multiple inaugural Green/Social/Sustainability bonds such as:

- Burberry's £300 million 5-year Sustainability Bond marks the first issuance by a luxury goods firm in this asset class. The framework supports the company's ESG initiatives across its value chain, from the procurement of sustainable cotton through to energy-friendly refurbishments of its stores. The trade received a very strong market response, attracting a £2.4 billion final order book.
- Clarion Funding £350 million 15-year Sustainability Bond marks the first such issuance in the UK Housing Association Sector. The transaction drew in notable interest from UK, European and Asian ESG portfolios, allowing the company to lock in attractive pricing and return with a follow-on offering in November, also NatWest Markets-led.

## Building a more inclusive and sustainable business

Coutts is currently working towards achieving B-corp accreditation and has been measuring impact using the B Impact Assessment tool.

## Embedding ESG into asset management

Coutts Asset Management defines responsible investment as the integration of ESG factors into our investment processes and ownership practices. We believe that embedding responsible investing principles into our investment process will lead to better informed investment decisions, and will have a positive impact on our investment portfolios. Strong corporate governance practices and management of environmental and social risks are important drivers to the creation of long-term shareholder value.

## Supporting our customers through our GSS Framework

In November 2019 we launched our first Green, Social and Sustainability Bond Framework (GSS Framework), with the aim to attract dedicated funding for loans and investments that support our customers to deliver a positive environmental or social impact. The funding raised under the updated Framework is in the form of term debt issued from our holding company, or any of our subsidiaries. We updated our Framework in October 2020 to include a broader set of lending to which we can allocate issuance proceeds, and ultimately report on. Additions to the Framework span gender equality, pollution prevention and control, green buildings, and clean transportation, paving the way for future issuance to support even more of our sustainability ambitions.


Our 2020 Social Bond Interim Impact Report, that followed the Social Bond issuance in 2019 (€750 million), estimates that approximately 6,900 full-time jobs have been created through allocation of bond proceeds to SMEs in some of the most deprived parts of the UK, supporting more than 2,750 SMEs in 96 industry sectors, with a quarter of jobs created in the health and social work sectors.

In May 2020, in line with ICMA Green Bond Principles, NatWest Group became the first ever UK bank to issue a Green Bond in the USD on-shore market. The issuance is in line with the Bank's climate ambitions and purpose-led strategy and aligns with the International Capital Market Association's Green Bond Principles. The proceeds of issuance are allocated to Renewable Energy projects across the UK including solar, wind and hydropower facilities.

On 23 February 2021, in line with the ICMA Social Bond Principles, NatWest Group issued a €1 billion affordable housing social bond, the

first of its kind by a UK bank. The proceeds of the social bond issuance will be allocated over the next 12 months to financing / re-financing loans originally provided to not-for-profit, registered housing associations operating in the UK which provide greater access to affordable housing in the UK, or contribute to enhanced access for low income residents or marginalised communities, as set out in Section 4.2 of our GSS Framework (Affordable Housing) and in line with Section 5.2 of our GSS Framework.

NatWest Group capital and funding plans include issuance of £3-5 billion of MREL-compliant instruments in 2021, with a continued focus on issuance under our Green, Social and Sustainability Bond Framework, around £1 billion of AT1 and around £2 billion of Tier 2 instruments. As in prior years, we will continue to target other funding sources to diversify our funding structure.

 [Read more on our GSS Framework](#)  
[Read more on our GSS bonds](#)

## Enabling investments in ESG-rated assets at NatWest Markets' Treasury

We launched an ESG product framework in 2019 to support investments in high ESG-rated assets. The NatWest Markets framework allows corporate and investing clients, particularly our corporate customers across NatWest Group to place deposits with NatWest Markets, where we commit to use the proceeds to invest in organisations with a prime-ESG rating from ISS ESG. We match every £1 million placed, by investing £1 million in this type of highly-rated ESG assets. This has been particularly well received by investors looking for short-dated ESG-aligned investment opportunities.

 [Read more about NatWest Markets ESG Product Framework](#)

## Investing in GSS bonds in our liquidity portfolio

Our Treasury portfolio consists of high quality liquid assets which support the bank-wide Sustainable Banking ambition by allocating a portion to Green, Social and Sustainability (GSS) bonds. As at Q4 20, Treasury held a £1.3 billion GSS portfolio, providing support to 23 GSS borrowers. Based on issuer reporting, the proceeds of these bonds are allocated to areas such as renewable energy, energy efficiency, and sustainable development. Our ambition is to grow this portfolio materially over time.

## ESG in our pension funds

Together with its investment managers, the trustees of the Group's pension plans take steps to actively monitor and take account of environmental, social and governance issues when investing the assets.

 [Read more about the NatWest Group Pension Fund](#)



Purpose focus area

# Climate

We will play a leading role in the UK and Ireland helping to address the climate challenge.

Our ambition  
Our approach to the climate challenge  
Progress against our climate ambition  
Our approach to climate metrics  
Our approach to climate governance and risk management  
Biodiversity and nature

25  
26  
27  
31  
34  
35





# Our ambition

To be a leading bank in the UK and Ireland helping to address the climate challenge

## How are we doing?

### Our targets

**-50%**

at least halve the climate impact of our financing activity by 2030.

**£20bn**

additional funding and financing for climate and sustainable finance by 2021.

**50%**

of our UK and Ireland customers' homes at or above EPC or equivalent rating C by 2030.

**+**

Become Climate Positive in own operations by 2025.

**>15%**

Stop lending and underwriting to companies with more than 15% of activities related to coal<sup>(1)</sup> and to all major oil & gas producers, unless they have a credible transition plan<sup>(2)</sup>.

### Our progress highlights

**36%**

of Retail Banking mortgages in England and Wales are at or above EPC rating C<sup>(3)</sup>.

**COP26**

NatWest Group is principal banking partner for this year's COP26 summit, a clear demonstration tackling climate challenge is at the core of the bank's purpose.

**A-**

We achieved a score of A- in the 2020 CDP Climate Change Survey, one of the strongest scores amongst our peers.

**£315m**

Since launching in October 2020, we have received 1,229 applications for Green Mortgages, with the value of £315 million. These mortgages are only available on the most energy efficient properties.

**£12bn**

Climate and sustainable funding and financing<sup>(1)</sup>, enabling us to bring forward our £20 billion target from 2022 to 2021. We expect to exceed this target during 2021.

**£23bn**

NatWest Markets has helped our clients issue 36 green bonds totalling £23 billion to support their environmental activities.<sup>(4)</sup>

## The bigger picture

### Our Climate targets contribute to the following SDGs:



#### Affordable and clean energy

We seek to ensure access to affordable, reliable, sustainable and modern energy for all

Target: 7.1 & 7.2



#### Climate action

We urge action to combat climate change and its impacts

Target: 13.1 & 13.3



#### Partnerships for the goals

Powered by innovation, collaboration and partnerships

Target: 17.17

See page 19 for SDG target level mapping.

### We collaborate with:



PRINCIPAL PARTNER  
UN CLIMATE  
CHANGE  
CONFERENCE  
UK 2021  
IN PARTNERSHIP WITH ITALY



# Our approach to the climate challenge

This chapter summarises our climate-related disclosures. Refer to the [2020 Climate-related disclosures report](#) for disclosures intended to align with TCFD recommendations. NatWest Group's ambition to be a leading bank in the UK and Ireland in helping to address the climate challenge is supported by the following key areas of activity.



# Progress against our climate ambition

## Accelerating the speed of transition to a low carbon economy

Accelerating  
the speed  
of transition

Climate-related opportunities	Customer	Our progress
<b>Retail Banking</b>		
<b>Green Mortgages</b>	Residential mortgage customers	This product, launched in late October 2020, offers lower interest rates for customers purchasing homes with an Energy Performance Certificate (EPC) rating of A or B, rewarding them for playing their part in helping to drive the UK transition to a low carbon economy. Since launch, we have received 1,229 mortgage applications with the value of £315 million.
<b>£100 thank you for going green</b>	Retail customers	The incentive is available to customers with a HM Government Green Homes Grant voucher, who successfully take out a Home Improvement loan and then upload their Green Homes Grant voucher. Customers are eligible for loans of up to £7,450 for home improvements, when they provide the Government Green Homes Grant voucher.
<b>Go Green Hub</b>	All customers	Launched in July 2020, the Go Green Hub aims to motivate customers to make behavioural changes – through providing educational and thought leadership content as well as simple and accessible tools and resources to help customers better understand their own environmental impact. In addition, it signposts solutions, products and services to help customers manage and reduce their environmental impact.
<b>Carbon footprint tracking pilot</b>	Retail customers	The limited pilot, developed in partnership with CoGo, provides current account and credit card customers access to a real-time carbon footprint tracker based on their spending habits. As soon as a customer connects their bank account to the app, the carbon footprint tracker automatically calculates their real-time carbon footprint based on their transactions. This is updated with every spend, from their morning coffee to travel, showing customers their climate impact. The carbon footprint tracking pilot also provides actions for users to consider, from lowering meat intake to nudging users towards switching to renewable energy.
<b>Private Banking</b>		
<b>Green Mortgages</b>	Residential mortgage customers	The Green Mortgage pilot was launched in November 2020. Customers qualify for a discount on 2 Year Base Rate Tracker mortgages by demonstrating that their property's Energy Efficiency Rating has increased to EPC rating A, B, or C. The Green Mortgage discount is available up to 12 months after completion, subject to the customer providing their relationship manager with an upgraded EPC certificate.
<b>Coutts Asset Management – Target to reduce the level of carbon intensity for the equity component of their funds and portfolios by 25% by end of 2021</b>	Investments – All invested customers	<p>In the first half of 2020, Coutts Asset Management reduced the carbon intensity on equity holdings of all funds and portfolios by 29% on average. This includes the Personal Portfolio Funds (the investments for our NatWest Invest and Royal Bank Invest digital investment platforms), which saw a reduction of 33% on average. The 29% reduction resulted from deliberate action taken within the funds and portfolios to shift to lower-carbon investments and by engaging with the companies and funds we invest in to reduce their carbon emissions. Carbon intensity is calculated as carbon emissions per million dollar of sales. Currently, this is only measured for equity holdings as data availability for these holdings is better than for other assets in the funds and portfolio. On average, equity holdings make up 60% of the total assets in the funds.</p> <p>In addition, Coutts Asset Management has divested from high-impact fossil fuels in its Coutts funds managed by BlackRock. The Coutts funds exclude any companies that derive more than 5% revenue from thermal coal extraction, Arctic oil and gas exploration and tar sands, and more than 25% of revenue from thermal coal energy generation.</p>

# Progress against our climate ambition

## Accelerating the speed of transition to a low carbon economy continued

Accelerating  
the speed  
of transition

Climate-related opportunities	Customer	Our progress
<b>Commercial Banking</b>		
<b>Future Mobility: enabling electric charging infrastructure</b>	Retail and commercial customers	<p>In February 2021, NatWest Group launched a partnership with Octopus Energy, the UK's fastest growing energy technology company, to help make it simple for customers and colleagues to move to electric vehicles.</p> <p>The partnership promotes infrastructure delivery by providing a single managed solution covering preferential pricing and encompassing full range of solutions from simple consumer installation to multi-site with solar panels, battery storage and green energy provision. The combination of NatWest Group's financing and Octopus' energy innovation will help all our customers decarbonise their transport.</p>
<b>Future Mobility: enabling fleet transition</b>	Various	<p>NatWest Group has financed 73 pure e-buses by working with multiple operators and the emerging 'as-a-service' ecosystem. Benefits of electric transition were highlighted as part of NatWest Group's colleague company car scheme resulting in 66% of new vehicles being wholly powered by battery; considerably ahead of the wider market.</p> <p>Over 2020 the Lombard Vehicle Solutions car fleet has doubled the number of vehicles that are wholly powered by battery.</p>
<b>Commercial real estate lending standards</b>	Corporate	<p>From January 2021, new minimum standards have been introduced in commercial real estate lending appetite for residential new build lending, which requires properties to achieve a minimum EPC rating of B.</p> <p>In addition, standard lending terms for commercial real estate now include our preference for green leases to be used by commercial landlords. Green leases are a mechanism for landlords and tenants to agree to work together to improve the sustainability of a building. Green leases will encourage better alignment of key stakeholders involved in the commercial real estate sector, which we see as an important step in moving towards Net Zero buildings.</p>
<b>Carbon footprint tracking pilot</b>	SMEs	<p>We are building a prototype to allow SMEs (&lt;£6.5 million turnover) to track their carbon footprint using their transactional data and implement actions to reduce their footprint. We have partnered with CoGo to deliver this prototype and will initially be testing with a small number of customers to understand how they would use this proposition and identify areas for iteration, as well as considering options for a full pilot, if successful.</p> <p>In late 2020 we gathered technical requirements and designed the user experience and user interfaces for the prototype. We are now building a mobile app prototype for customers to test with their data in the first half of 2021.</p>
<b>NatWest Markets</b>		
<b>Thought leadership and education</b>	Corporate and Institutional customers	NatWest Markets shared insights with customers and market participants, including rating agencies, regulators, corporates, investors and industry experts to address specific challenges in respect of climate change and related financing.
<b>New product innovation</b>	Corporate and Institutional customers	NatWest Markets actively developed new and innovative products across the yield curve to support green activities and customers' transition journeys. In collaboration with Commercial Banking, NatWest Markets structured the first synthetic green securitisation based on a renewable energy loan portfolio within the bank.
<b>RBS International</b>		
<b>Trustee and Depository ESG reporting tool</b>	Trustee and Depository customers	Working with specialist services firms to build an ESG Reporting Tool, (incorporating climate and other ESG data) which will augment customer data with artificial intelligence to provide a real-time platform. We are currently building the model, with testing scheduled for early 2021.

# Progress against our climate ambition

## Helping to end the most harmful activity

Helping to  
end the most  
harmful activity

Our ambition	Our progress
<p>We plan to stop lending and underwriting to companies with more than 15% of activities related to thermal and lignite coal; unless they have a credible transition plan in line with the 2015 Paris Agreement in place by end of 2021. We plan a full phase-out from coal by 2030.</p> <p>Also, to stop lending and underwriting to major oil and gas producers unless they have a credible transition plan aligned with the 2015 Paris Agreement in place by the end of 2021.</p>	<p>Oil and gas gross lending exposure has reduced by £0.8 billion during 2020 (December 2020 £4.1 billion; December 2019 £4.9 billion). Large corporate customers with gross lending exposure of £2 billion at December 2020 have been identified as requiring Paris aligned and Credible Transition Plans (CTP) by the end of 2021. This includes oil and gas majors and also customers engaged in coal (thermal and lignite) related to mining, power generation and trading activities.</p> <p>During 2020 we have worked with an external expert to define a methodology for CTP assessment. The methodology comprises:</p> <ol style="list-style-type: none"> <li>quantitative assessment using the climate scenario temperature alignment model to evaluate whether companies' transition plans and resulting projections for Scope 1, 2 and 3 emissions are consistent with temperature scenarios that are aligned to the goals of the 2015 Paris Agreement.</li> <li>qualitative assessment of the credibility of customers' transition plans through use of a questionnaire and scorecard to be filled in by relationship managers through public data and discussions with customers.</li> </ol> <p>A proof of concept was completed for two customers and customer facing teams are being trained to carry out CTP assessments. We expect to complete our review of in scope customers by the end of 2021.</p>

Championing  
climate solutions

## Championing climate solutions

Climate-related opportunities	Our progress
<p><b>Climate and Sustainable Funding and Financing:</b> Additional £20 billion climate and sustainable funding and financing between 2020-2021.</p>	<p>During the year, £12 billion climate and sustainable funding and financing<sup>(*)</sup> has been completed. The £12 billion comprises £7.2 billion in NatWest Markets, £3.9 billion in Commercial Banking, £0.8 billion in RBS International and £0.1 billion in other segments. We expect to exceed our £20 billion target during 2021.</p>
<p>At least 25% of the spaces in our Accelerator Hubs will be reserved for businesses whose core offering supports sustainable environmental activities.</p>	<p>Of the 1,085 businesses on-boarded to the Entrepreneur Accelerator in 2020, 268 were businesses whose core offering supports sustainable activity, which meets our 25% ambition.</p>

Embedding  
climate into  
our culture  
and decision  
making

## Embedding climate into our culture and decision making

Our ambition	Our progress
<p>Revising executive remuneration to reflect achievement of climate targets.</p>	<p>Climate considerations were included in Senior Executive remuneration for the year 2020 and have been updated for 2021. Refer to the Governance and remuneration report in the 2020 Annual Report and Accounts for further details.</p>
<p>We set ourselves the challenge to at least halve the climate impact of our financing activity by 2030 and intend to do what is necessary to achieve alignment with the 2015 Paris Agreement. To do this, we plan to quantify our climate impact and set sector-specific targets by 2022.</p>	<p>We have developed financed emissions estimates for four sectors – residential mortgages, oil and gas, automotive and agriculture. Also, developed emissions intensity estimates for 2030 and 2050, for three of the four sectors.</p> <p>NatWest Group was the first major UK bank to join PCAF. NatWest Group joined Science Based Targets initiative (SBTi) following the launch of the Financial Sector Science-based Targets Guidance in 2020.</p>
<p>We will integrate the financial and non-financial risks arising from climate change into our Enterprise Wide Risk Management Framework.</p>	<p>During 2020, work has continued to integrate climate risk within the Enterprise Wide Risk Management Framework.</p> <p>As part of the Environmental, Social and Ethical framework, coal lending thresholds for the mining and metals, and power generation sectors were reduced from 40% to 15%. In addition, prohibitions on project financing for new exploration in the oil and gas sector, including fracking were put in place.</p>

# Progress against our climate ambition

## Making our own operations Climate Positive by 2025

Making our  
own operations  
Climate Positive  
by 2025

Our ambition	Our progress
Make our own operations Climate Positive by 2025 <sup>(1)</sup>	NatWest Group achieved Net Zero Carbon across our own operations in 2020 <sup>(2)</sup> . We achieved this through a combination of emissions reductions, in line with our 1.5-degree science-based target commitment, alongside offsetting residual Scope 1, 2 and 3 emissions through the purchase of internationally recognised TIST <sup>(3)</sup> Carbon Credits. In recognition of the exceptional circumstances in 2020, we have also offset all emissions from home working. We plan to achieve Climate Positive by continuing to reduce emissions 25% by 2025 against a 2019 baseline, while maintaining carbon offsetting at 2019 residual levels.
Use only renewable electricity in our direct global operations by 2025 (RE100)	<p>In 2020 we achieved our interim target of 90% renewable electricity coverage. This was achieved through a combination of:</p> <ul style="list-style-type: none"> <li>• 91% of our UK and Ireland electricity is from renewable sources.</li> <li>• Purchasing Renewable Energy Certificates (RECs) for our landlord-supplied properties in India, Europe and the UK, where we are currently unable to specify a requirement for renewable electricity.</li> </ul> <p>Going forward, and in order to reach our target of 100% global renewable electricity by 2025, we will work with our principal landlords to advocate for renewable electricity provision for all properties, where possible.</p>
Install electric vehicle charging infrastructure in more than 600 spaces across our UK and Ireland portfolio by 2030 (EV100)	During 2020, 20 charge point connections were installed in Belfast and all remaining sites were surveyed ready to deliver the rest of the programme. We have engaged with a third party to support the programme roll out which will include the installation of over 250 chargers at our Gogarburn Headquarters.
Upgrade our job need cars of around 300 vehicles to electric models by 2025 (EV100)	During 2020 we set the strategy for transition and agreed vehicle criteria including price, specification and range. From 2021, upon lease expiry of current diesel vehicles and where homebased infrastructure allows, we will start providing colleagues with an electric vehicle and home charge point.
Improve Energy Productivity to 40% by 2025 against a 2015 baseline (EP100)	We have increased energy productivity (FTE per GWh) by 36% since 2015. Our EP100 target is supported by a decrease in energy consumption. Across our global portfolio, electricity consumption decreased by 22% and natural gas consumption decreased by 14% when compared to 2019.



This chapter summarises our climate-related disclosures. For our full report, refer to the 2020 Climate-related disclosures report for disclosures intended to align with the TCFD recommendations.

Notes: (1) Refer to page 33 for further details on NatWest Group own operational footprint, including the emissions impact of working from home due to the COVID-19 pandemic. (2) Our Own Operational Footprint reporting year runs from October 2019 to September 2020. (3) TIST projects remove carbon from the atmosphere through tree planting. All TIST carbon credits are dual-validated and verified under the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCB).



# Our approach to climate metrics

This section includes key metrics used by NatWest Group to assess climate-related risks and opportunities. Refer to our 2020 Climate-related disclosures report for further details. Climate metrics included in this section should be read in conjunction with Section 5.7 (Caution about climate metrics) of the climate-related disclosures report and Risk factors included in the 2020 Annual Report and Accounts.

## 1. Energy efficiency – EPC ratings for Retail Banking residential mortgages in England and Wales

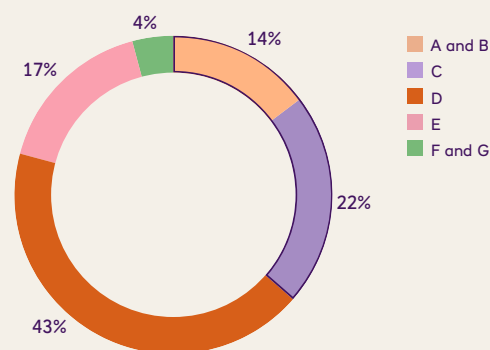
Supporting our UK and Ireland mortgage customers to increase their residential energy efficiency and incentivising purchase of the most energy efficient homes is a key part of our climate ambition. In addition, we have an ambition that 50% of our mortgage book has an EPC or equivalent rating of C or above by 2030. EPC ratings provide an indication of energy efficiency for a property.

Within the Retail Banking mortgage portfolio in England and Wales, EPC data is available for mortgages amounting to £92.9 billion (65.7% of the mortgages in England and Wales).

The chart opposite presents the percentage of Retail Banking mortgages in England and Wales by EPC rating band.

In addition, we have performed an analysis of flood risk levels for Retail Banking residential mortgages in the UK, excluding Northern Ireland.

Total England and Wales mortgages with EPC data available (£92.9 billion)



## 2. Climate and Sustainable Funding and Financing

In February 2020, NatWest Group announced that it would support an additional £20 billion funding and financing (including underwriting but excluding mergers and acquisitions advisory activities) for climate and sustainable finance between 2020-2022. As a result of the progress made during 2020, the timeline for this target has been brought forward to 2021. We expect to exceed our £20 billion target during 2021. NatWest Group used its 2020 Climate and Sustainable Finance Inclusion Criteria published in 2020 to determine the assets, activities and companies that are eligible to be counted towards this target. The Climate and Sustainable Finance Inclusion Criteria are currently focused on supporting a transition towards a low carbon and climate resilient economy.

The £12 billion climate and sustainable funding and financing during 2020 comprised green wholesale lending of £2,528 million; green bond public issuances and green private placements of £5,030 million; sustainability linked loans of £2,633 million and other wholesale general purpose lending or wider financing within the Climate and Sustainable Finance Inclusion Criteria of £1,823 million. Of this £12 billion, £7.2 billion was in NatWest Market Group, £3.9 billion in Commercial Banking, £0.8 billion in RBS International and £0.1 billion in other segments. Refer to Section 5.3 of the Climate-related disclosures report for more details.

## 3. NatWest Group Green Bond Issuance

NatWest Group has established a Green, Social and Sustainability Bond Framework (the GSS Framework) in June 2019 with the aim to attract dedicated funding for loans and investment that bring a positive environmental and social impact. The GSS Framework<sup>(1)</sup> was updated in October 2020 to include new Use of Proceeds categories including, amongst others, Green Buildings and Pollution Prevention and Control. Sustainalytics has provided an updated independent Second Party Opinion<sup>(1)</sup>, where they note that the GSS Framework is “both credible and impactful” and that “NatWest Group plc is well-positioned to issue green, social and sustainability bonds and that that Green, Social and Sustainability Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020) and Sustainability Bond Guidelines (2020)”.

During the first half of 2020, NatWest Group became the first UK bank to issue a USD Green Bond into the US onshore market. The proceeds of this \$600 million USD Green Bond are allocated to renewable energy projects across the UK, according to eligibility criteria defined in the GSS Framework. The initial allocation included Wind, Solar and Hydropower projects, with the projects in the portfolio at the time of issuance producing an estimated total renewable energy capacity of 3,155 Megawatts<sup>(2)</sup>.

## Our approach to climate metrics continued

### 4. Heightened climate-related risk sectors

In addition to the mortgage portfolio, we have identified thirteen wholesale sectors as exposed to heightened climate-related risk. During 2020, we have performed initial qualitative assessment for these sectors to assess physical and transition risks deemed to have the most impact. In 2021, an approach to assess climate sensitivities against each of the climate-related risks will be developed to further support our understanding of impacts related to these sectors.

### 5. Preliminary estimates of financed emissions

In February 2020, we set ourselves the challenge to at least halve the climate impact of our financing activity by 2030 and to do what is necessary to achieve alignment with the 2015 Paris Agreement. Financing activity refers to the loans and investments (debt securities and equity shares) on NatWest Group's balance sheet. We use financed emissions as a key metric to estimate the climate impact of our financing activity on the real economy. Financed emissions are absolute Greenhouse Gas (GHG) emissions that NatWest Group finances through its lending and investment activity. These activities fall within Scope 3, category 15 of the GHG protocol.

During 2020, we worked on developing our capabilities to estimate our financed emissions to enable us to:

- (i) Identify, assess and manage climate-related risks and opportunities,
- (ii) understand the drivers of climate-related transition risks and opportunities in our business,

(iii) set and navigate emissions reduction goals,

(iv) act to reduce our climate impact.

During 2020, we focused on estimating financed emissions and emissions intensities for four sectors: residential mortgages, agriculture (primary farming), automotive manufacturers and oil and gas extractors. 45% of loans and investments at December 2019 were included in the analysis. These four sectors were selected based on their proportion of the NatWest Group's total loans and investments as at 31 December 2019 in combination with climate impacts associated with the sector. Further considerations included whether appropriate methodologies for estimating emissions intensities were available. Refer to the Climate-related disclosures report for estimated financed emissions; emission intensities; preliminary emission intensity estimates for year 2030 aligned to NatWest Group's climate ambition to reduce climate impact of financing activity by 50%, as well as for Paris alignment; and 2050 Paris alignment emissions intensity estimates.

During 2021 we intend to continue to broaden our analysis to other sectors. Our preliminary analysis reinforced the urgency and the scale of transition required to align our financing activities to the 2015 Paris Agreement. Addressing the climate crisis is not something NatWest Group or any individual organisation can do on its own. There is a dependency on the Government and clear, early regulatory policy, as well as on our customers and society to respond. At the same time, as a purpose-led organisation, we aim to engage and support our customers' transition to a low carbon economy.



## Our approach to climate metrics continued

### 6. Own Operations – Climate Positive by 2025

We have met our ambition to be Net Zero Carbon<sup>(1)</sup> across our own operations in 2020<sup>(2)</sup>. We achieved this through a combination of emissions reductions, in line with our 1.5-degree science-based target commitment, alongside offsetting residual Scope 1, 2 and 3<sup>(3)</sup> emissions through the purchase of internationally recognised TIST Carbon Credits<sup>(4)</sup>.

NatWest Group understands that carbon offsetting is only an interim solution; however, we believe it's the best way to take accountability for the carbon we emit until it can be eliminated at source.

#### Climate Positive by 2025

Our priority now is to focus on becoming Climate Positive across our own operations by 2025, so that we offset more carbon than we emit. Last year we announced this would be achieved by maintaining our 2020 level of carbon offsetting and simultaneously reducing emissions from our own operations a further 25% by 2025 (2019 baseline).

Due to the exceptional circumstances linked to the COVID-19 pandemic, we have already reduced emissions by 33% (against 2019 baseline), driven by reduced energy consumption and business travel. Additionally, with more than 50,000 colleagues working from home due to the COVID-19 pandemic, some emissions have transferred to colleagues' homes.

In recognition of this exceptional year, we have:

- (i) Calculated and offset all colleague home working and commuting emissions (37,596 tCO<sub>2</sub>e). These additional emissions offset in 2020 go beyond our current

reporting boundary of emissions in our direct operational control. To calculate these emissions, we collaborated with EcoAct, Lloyds Banking Group and other organisations to launch the first ever open source home working emissions methodology.

- (ii) Set the minimum level of offsets that we will maintain through to 2025 to 120,000 tCO<sub>2</sub>e, aligned to our 2019 market based emissions; instead of 2020 emissions (93,144 tCO<sub>2</sub>e), which are lower than 2019.
- (iii) We will continue to pursue a 25% carbon reduction by 2025 (2019 baseline) due to an expected rebound in the future.

#### Sustainable use of resources

**Carbon:** In 2020, we reduced our total combined Scope 1, 2 and 3 (business travel, paper, waste and water) emissions by 33% against a 2019 baseline.

We recognise that the COVID-19 pandemic has had an impact on our footprint; energy and business travel emissions, which are major contributors to our carbon footprint have fallen, by 26% and 67% respectively.

**Waste:** Our 2025 target is to maintain our commitment to sending Zero Waste to Landfill in the UK and Ireland, by working with suppliers to follow a waste hierarchy so that waste is reused, recycled or sent to a waste to energy facility.

During 2020, we were audited by the Carbon Trust and maintained our Zero Waste to Landfill accreditation. Our waste per FTE reduced from 4.2 kg/week to 3.4 kg/week, which was larger than anticipated due to

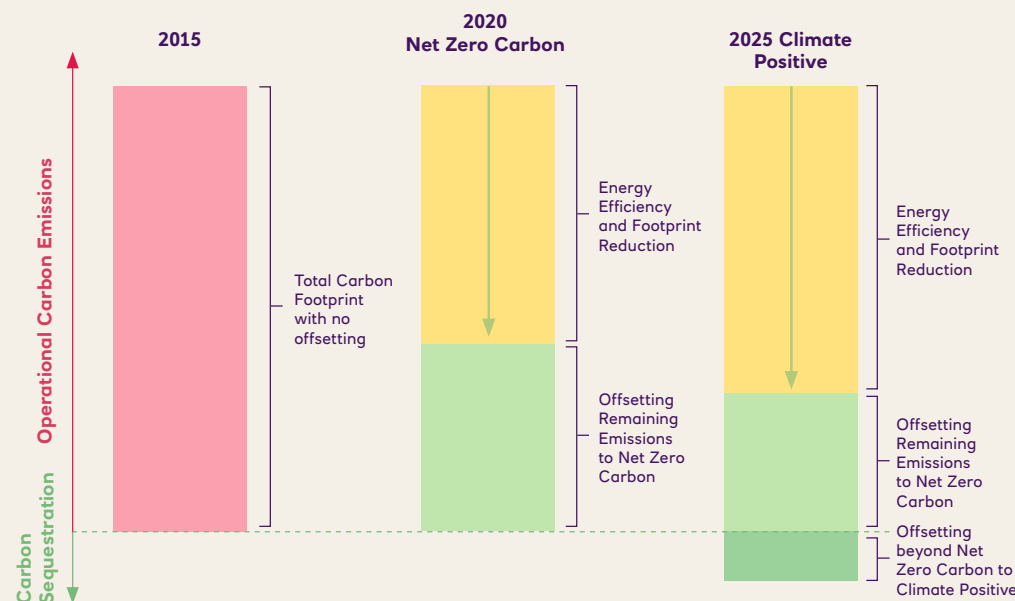
some of our buildings closing as part of the COVID-19 lockdown restrictions.

[Read more on our own operational footprint](#)

We work with our supplier Go Green Managed Services to refurbish and refresh our existing furniture for reuse both within our building portfolio, and to supply furniture to our colleagues working from home. Surplus furniture is either donated to a network of our chosen charities or sold on to other businesses and the money raised is used for charitable causes. In 2020 we reused 15,573 assets within our portfolio, sold 4,247 assets and donated 7,771 assets to charities.

**Paper Reduction:** Our 2025 target is to reduce paper consumption by 70% from a 2015 baseline. By offering instant access digital alternatives to documents such as bank statements, we will reduce colleague and customer dependence on paper communications and the associated waste.

Since 2015, overall paper consumption has reduced 56%, 14% of which was delivered in 2020. Internal colleague printing has fallen 47% in 2020, whilst statements and other customer documents have fallen 6%, in part due to the impact of the COVID-19 pandemic.



Notes: (1) NatWest Group define Net Zero Carbon as "a state where no incremental greenhouse gases are added to the atmosphere, with remaining emissions output being balanced by the removal of carbon from the atmosphere". (2) Our Own Operational Footprint reporting year runs from October 2019 to September 2020. (3) Scope 3 emissions from business travel, paper, waste and water. (4) TIST projects remove carbon from the atmosphere through tree planting. All TIST carbon credits are dual-validated and verified under the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standards (CCB).

# Our approach to climate governance and risk management

## Governance

Activities during 2020 focused on:

- Building Board and Board Committee members' knowledge, clarifying roles and responsibilities, as well as incorporating climate in strategic and risk appetite discussions, aligned to NatWest Group's climate ambition. Also, a review of the terms of reference for Board Committees was conducted to ensure appropriate oversight of climate across the Committees in support of the purpose-led strategy.
- The Board approved the allocation of Senior Management Function responsibility for identifying and managing financial risks from climate change jointly to the Group Chief Executive Officer and the Group Chief Risk Officer.

## Risk management

Climate risk is the risk of financial loss or adverse non-financial impacts associated with climate change and the political, economic and environmental responses to it.

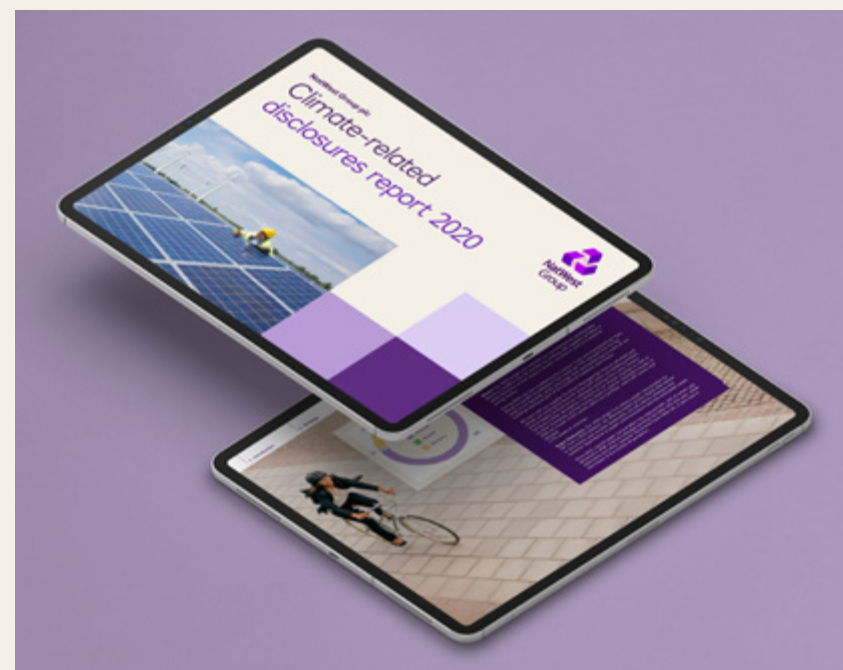
During 2021, NatWest Group will assess and report on climate risk as a principal risk. The risk will have a dedicated policy, appetite statement and risk appetite measures implemented in accordance with the Enterprise Wide Risk Management System Framework. This approach supplements continued enhancements to risk management toolkits which will ensure comprehensive identification and assessment of climate risk impacts upon other principal risks.

Some examples of work done during 2020 to incorporate climate as a causal factor into existing principal risks include:

- Guidance was issued to ensure appropriate consideration of climate-related risk in internal risk and control assessments.

- Climate risk was included as a factor in setting sector oversight classifications, which drive the frequency and level at which sector credit risk appetite is reviewed. Within the wholesale portfolio, thirteen sectors were identified as exposed to heightened climate risk based on this initial analysis of transition and physical risks.
- For the residential mortgage portfolio analysis was completed at property level to assess transition risk by reviewing energy efficiency of properties, and physical risk through exposure to flood risk.
- Within operational risk, a scenario analysis pilot was performed on the Group's operations in India to assess the potential effects of climate driven events including disruption to business services, damage to physical assets and health and safety.
- Enhancements have been made to the ESE Framework to mitigate reputational risk from carbon intensive sectors and support the transition to a low carbon economy. This includes reduction in coal lending thresholds for the mining and metals and power generation sectors from 40% to 15%. In addition, prohibitions on project financing for new exploration in the oil and gas sector, including fracking were put in place.

Preliminary scenario analysis work carried out during 2020 has provided insights into potential impacts on credit metrics related to wholesale and retail portfolios. In addition, preliminary estimates of financed emissions for four sectors have been developed during 2020. Work during 2021 will focus on enhancing risk management processes and tools to manage and mitigate climate risks within wholesale and retail portfolios.



▶ This chapter summarises our climate-related disclosures. Refer to the 2020 Climate-related disclosures report for disclosures intended to align with TCFD recommendations.



# Biodiversity and nature

We understand that our business, including our customers and the society we operate in, is all part of the natural world. We all benefit from natural resources and ecosystem services; they enable us to conduct our business activities. It is essential for NatWest Group, our customers and wider society that these resources are managed in a sustainable way. We view climate change, resource scarcity and biodiversity loss, and their associated impacts as significant dangers to the livelihoods of our customers and society at large, both currently and in the years to come.

## Biodiversity and climate change

The impacts of rapid climate change, including flooding, fires and ocean acidification, have significant consequences for biodiversity. A scientific assessment of biodiversity in 2019 found that climate change may become the major driver of biodiversity loss in the coming decades<sup>(1)</sup>.

Unsustainable changes in land use, such as large-scale deforestation have led to, and continue to create, significant biodiversity loss as well as contributing to climate change.

Whilst climate change is causing significant biodiversity loss, protecting biodiversity can make a substantial contribution to climate change mitigation and adaptation. Protecting and enhancing biodiversity helps address climate change by storing and sequestering carbon in ecosystems including forests. Biodiverse habitats such as wetlands and forests also help build resilience to reduce the impacts from climate change such as damage from storms and flooding.

Our ambition is to be a leading bank in the UK and Ireland helping to address climate change by setting ourselves the challenge

to at least halve the climate impact of our financing activity by 2030 and making our own operations Climate Positive by 2025.

## ESE Risk Policies

To help NatWest Group assess and manage these risks, we operate a range of sector-specific policies as part of our Environmental, Social and Ethical Risk Management Framework. We have also integrated the requirements of the Equator Principles - which is a voluntary set of standards adopted by financial institutions for determining, assessing and managing environmental and social risks in project-related transactions – in the ESE risk management policy. For more information please see page 58.

Considering environmental impacts specifically, our policy is not to lend to projects involving unsustainable vegetation clearance or peatland clearance/extraction. Unsuitable vegetation clearance includes:

- Degradation of areas (often forests) necessary to protect High Conservation Value areas.
- The conversion of primary tropical forests; or land clearance by burning.
- The conversion of High Carbon Stock tropical forests.
- Clearance of peatlands, including peat extraction.

In addition, NatWest Group has a range of restrictions on commodities that are linked to deforestation risk such as palm oil and soya. More information about our reporting on this issue through the Soft Commodities Compact is on page 59.



[Read more on our sector policies](#)

## Helping natural ecosystems and excluded communities

The NatWest Group India Foundation was formed to contribute to India's UN Sustainable Development Goals (then Millennium Development Goals) with a focus at the intersection of critical natural ecosystems and excluded communities. Restoring degraded land is an efficient and cost-effective way forward to alleviate poverty and generate climate benefits. Ecosystems face severe pressure and widespread degradation due to the portion of economic growth and population that is dependent on increasingly stressed natural resources. The resultant loss in biodiversity and functionality of these ecosystems triggers a vicious cycle – affecting the most vulnerable. Addressing developmental requirements of the local community while fostering conservation of such ecologically important ecosystems is the approach adopted by the Foundation. Recently the Foundation's Kanha-Pench Corridor project, in partnership with the UN Climate Adaptation Fund, documented and raised a 'grain bank' of 53 strains of indigenous grains that are weather resistant and have served communities well in the face of changing weather patterns. The Foundation has positively impacted over 182,000 families, across 13 states and 2,100 villages since its inception in 2007. Through its 23 ongoing projects, the Foundation has restored over 130,000 hectares of degraded land through community support.

## Celebrating and sharing best conservation practice

The 10th annual NatWest Group Earth Heroes Awards were held in 2020. The nationwide awards spotlight the determination of individuals and institutions stepping beyond their call of duty to protect India's biodiversity and critical natural ecosystems. These individuals and institutions have done significant work in conservation of wildlife, habitats and welfare of communities thereby making a positive impact in conservation of Biodiversity and Sustainable Development. The eight winners were thanked via a virtual ceremony with guest, Ms. Elizabeth Maruma Mrema, United Nations Executive Secretary for the Convention on Biological Diversity.



# Biodiversity and nature continued

## Integrating Biodiversity

Biodiversity is in our Supplier Charter – NatWest Group expects our suppliers to: support Sustainable Development Goals which seek environmental progress for the planet; not cause environmental damage to nationally or internationally protected areas including UNESCO World Heritage sites, Ramsar sites, Man & Biosphere sites, Marine Protected Areas and Forest Stewardship Council High Conservation Value Forests; not damage plants and animals listed on the IUCN Red List of critically endangered species and be working to enhance biodiversity.

During 2020, NatWest Group supported £12 billion climate and sustainable funding and financing. Our Climate and Sustainable Finance Criteria includes lending to projects that (i) create, protect, manage and restore biodiversity, habitat and ecosystems by taking mitigation and compensation measures. Including, but not limited to, soil, peatland, saltmarsh and pasture remediation, agriculture (crop and livestock production), rewilding, forestry (afforestation and reforestation), renewable energy generation, water (supply and waste) and non-fossil fuel transport; and (ii) support climate change adaptation and mitigation solutions and initiatives; including, but not limited to sustainable coastal zone management and, flood defence and early warning systems, water resource management, extreme weather management, natural resource management and agrobiodiversity, hydroculture, hydroponics, aquaculture.

## Island Saver by NatWest

NatWest Group launched Island Saver in 2020, the world's first video game that also teaches children about the environment and money. The game sees the player clean up an atoll of polluted islands, saving the animals and restoring natural habitat.

## Financial Taskforce – United For Wildlife

NatWest Group have been members of the United for Wildlife taskforce since its establishment in 2016. The illegal wildlife trade is valued between 50-150 billion USD per year and is one of the five most lucrative global crimes that benefit organised criminal gangs.

United for Wildlife works to tackle illegal wildlife trade by bringing together conservation organisations, governments, and global corporations. Led by His Royal Highness The Duke of Cambridge and The Royal Foundation, United for Wildlife is working to protect endangered species. Recent work is focusing on the links between zoonotic diseases and the wildlife trade and the significant public health risks created.

## Dasgupta Review

NatWest Group welcomes Professor Dasgupta's landmark review into the economics of biodiversity. The review finds that significant declines in biodiversity are undermining the productivity, resilience and adaptability of nature and this, in turn, has put our economies, livelihoods and wellbeing at risk. It is clear from the review that rebalancing humanity's relationship with nature will take collaboration across industries, governments and society. Two major international conferences are taking place this year. COP15 for Biological Diversity and COP26 for climate change, where nature and nature-based solutions to climate change are a theme of the conference. NatWest Group is determined to play our part in collaborating to help to find solutions to the biodiversity and nature crisis.

## Terra Carta

Coutts, part of NatWest Group, are signatories to the 'Terra Carta'. Launched by His Royal Highness The Prince of Wales in January 2021, the Terra Carta is part of his Sustainable Markets Initiative. It provides a roadmap to 2030 for businesses to move towards an ambitious and sustainable future.

## → Purpose in action

# Collaborating on nature and finance

We joined the Taskforce on Nature-Related Financial Disclosures (TNFD) Informal Working Group in 2020 ahead of its full launch in 2021. With a mission to build awareness and capacity to enable the financial sector to address the market and systemic failures contributing to the destruction of nature, a key part of the group will be working to bridge the data gaps currently preventing financial institutions from assessing nature-related risks in granularity.

## Additional collaborative initiatives

Cambridge Institute for Sustainability Leadership: Financial risks of biodiversity loss and land degradation project, seeks to help measure and understand financial materiality.

UNEP FI PRB Working Group on Target Setting: Biodiversity. This sub group of Principles for Responsible Banking is focused on developing guidance, indicators, metrics and methodologies to measure biodiversity in line with international frameworks.



Purpose focus area

# Enterprise

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# Our ambition

To be the champion of businesses – the biggest supporter of start-ups in the UK and Ireland

## How are we doing?

### Our targets

**50k**

incremental new businesses created by 2023 through inspiring and supporting >500,000 people.

**60%**

of those inspired and supported will be female.

**75%**

of those inspired and supported will be based in regions outside London and the South East.

**20%**

of those inspired and supported will be Black, Asian and Minority Ethnic-led businesses.

**10%**

of those inspired and supported will be social purpose-led.

### Our progress highlights

**1,926**

incremental businesses created in 2020, below our 2020 target of 6,500 new businesses, reflecting the impact of COVID-19 on business creation<sup>(1)</sup>.

**80%**

of 60,788 people inspired and supported identified as female<sup>(1)</sup>.

**72%**

of 60,788 people inspired and supported were based outside London and the South East, slightly below our target of 75%.

**26%**

of 60,788 people inspired and supported are Black, Asian and Minority Ethnic<sup>(1)</sup>.

**52%**

of 60,788 people inspired and supported were social purpose-led.<sup>(1)</sup>

**£1bn**

We supported female entrepreneurs in 2020 by creating £1 billion in funding, which has been fully deployed. We have announced a further £1 billion of funding in 2021.

### Our response to COVID-19

In the face of extreme disruption, we supported our customers by pivoting at pace. Refer to page 39 for more examples of Enterprise progress highlights in response to COVID-19.

## The bigger picture

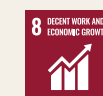
### Our Enterprise targets contribute to the following UN SDGs:



#### Gender equality

We're championing female entrepreneurship through dedicated funding and support from Women in Business Specialists.

Target: 5.5



#### Decent work and economic growth

We promote and support the potential of entrepreneurs to start-up and grow.

Target: 8.3



#### Reduced inequalities

We address the barriers for start-ups in underrepresented groups.

Target: 10.2



#### Partnerships for the goals

Powered by innovation, collaboration and partnerships.

Target: 17.7

See page 19 for SDG target level mapping.

### We collaborate with:



#### Investing in Women Code

NatWest Group was the founding signatory of the Code, a commitment by financial services firms to improving female entrepreneurs' access to tools, resources and finance.



#### Women in Finance Charter

A pledge for gender balance across financial services.



# Removing the barriers to enterprise

**As the largest supporter of UK business, we champion anyone who wants to start or grow an enterprise. We know that for many, it remains harder than it should be. It's why we're removing barriers so that new and growing businesses can thrive.**

Following the outbreak of COVID-19, the Executive Committees approved changes to improve our support to business customers, engaging the Sustainable Banking Committee in their role overseeing, supporting and challenging actions being taken by management to run the Group as a sustainable business. Our immediate focus was on helping approximately 1,000 entrepreneurs in our Accelerator Hubs and we extended our support by four months. We also fully digitised our Enterprise model so businesses could access our services instantly. We welcomed 26% more entrepreneurs due to our digital and extended services, and Accelerator events for SMEs not in the Accelerator programme.

New events have been created, aligned to Scale Up Institute barriers, and developed around key themes. These support scaleups with the current challenges presented by COVID-19, such as Developing a Remote Culture, Wellbeing, Pivoting & Diversifying your Business Model and Entrepreneurial Leadership – Responding to Change.

Across Business Banking, we reallocated resources to allow customer-facing colleagues to deliver the many new government support packages. At the same time, to focus our support on existing customers during the pandemic, the majority of the NatWest Group brands temporarily paused the opening of new bank accounts and marketing campaigns in 2020. This excluded Coutts, who worked with

Business Growth Fund to create the UK Enterprise fund, and also ran a successful Entrepreneurs Month campaign in October. In December, we reopened for new accounts whilst continuing to support existing customer through our COVID-19 response strategy.

## **Building businesses – even during hard times**

With the pandemic prompting new ways of thinking about the way we live and work, we saw more people taking steps to start their own business in 2020. We've now supported 60,788 people to consider entrepreneurship as a career option through a number of initiatives designed for small businesses, including 14,206 sign ups on our Business Builder platform – and we've helped establish 1,926 new businesses. These numbers offer clear evidence that it's possible to start and grow businesses even during the most challenging times.

Beyond our support during COVID-19, we remain committed to helping create 50,000 new businesses across the UK by 2023, with women making up at least 60% of those we support and more than 20% being Black, Asian and Minority Ethnic-led businesses. More than 75% of those we support will be based outside London and the South East, and we will ensure that 10% of those inspired and supported will be social purpose-led.

For 2021, we will continue to help remove barriers to UK Enterprise growth through learning, networks, expertise and funding. We will support 35,000 new businesses through our enterprise programmes and deliver 200,000 interactions to help customers start run and grow a business.

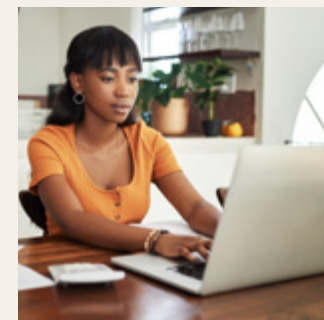
The NatWest Group Accelerator programme is now the largest entrepreneurship programme of its kind in the UK. In 2020, we were endorsed by the Scale Up Institute for the second year in a row and were named as the No.1 UK accelerator programme by research institute Beauhurst<sup>(1)</sup>.

Currently, we have 12 Entrepreneur Accelerator Hubs for SMEs based in key cities around the UK. During the pandemic, the closure of physical hubs was compensated for by virtual networking events, workshops and 10,240 hours of coaching delivered to business owners.

Our Business Builder programme is an online tool designed to give business owners access to learning resources and support to help them grow their businesses. We expanded the focus of our Business Builder programme to support SMEs at all stages of their lifecycle.

In 2020, we ran the Powering Our Communities webinar series aimed at supporting Black, Asian and Minority Ethnic business leaders to start, scale and succeed in business.

As part of our response to the challenges faced by businesses, we launched a public Coronavirus Response Hub, featuring help, tools and guidance for businesses. Since March 2020, the hub has had 2.95 million visits, accessing support on topics from government-backed loans and repayment holidays, to supply chain disruption and a diagnostic tool to signpost relevant help.



## 14,206

Business Builder registrations

## 61,061

attendees took part in over 1,161 digital events in 2020

## 268

new places allocated on our Climate Accelerator to businesses with core sustainable outcomes

## 10,240

hours of coaching delivered to business owners

# Championing underrepresented entrepreneurs

**We support the drive toward a low carbon economy supported by decent work and economic growth. In support of SDG 5 Gender Equality and SDG 10 Reduced Inequalities, we seek to address the barriers faced by underrepresented groups including female entrepreneurs, Black, Asian and Minority Ethnic businesses, areas outside of London, and socially purposeful businesses.**

## Advancing Female Entrepreneurship

The Rose Review into Female Entrepreneurship, launched by NatWest Group CEO Alison Rose in March 2019, made a series of recommendations to help remove barriers facing women who want to start a business.

The Review found that £250 billion<sup>(1)</sup> could be added to the economy if women started and scaled new businesses at the same rate in the UK as men.

It also highlighted three opportunities to help more women succeed as entrepreneurs:

- Increase funding directed towards female entrepreneurs;
- Provide greater family support;
- Make entrepreneurship more accessible and increase access to support.

In March 2020, one year on from the launch of the Rose Review, NatWest Group launched a **Progress Report**.

## £1 billion Debt Fund

To support our ambition, in January 2020 we announced £1 billion of ring-fenced Female Entrepreneurship Funding, all of which has already been allocated to female-led businesses. In January 2021, we announced an additional £1 billion in funding to help support

female-led businesses in the UK recover from disruption caused by COVID-19. This aims to help female entrepreneurs scale and grow their businesses and builds on the £1 billion announced in 2020, which was the largest intervention by a UK lender focused specifically on female-led businesses.

## Investing in Women Code

The first delivered output of the Rose Review, the Investing in Women Code was launched by Alison Rose and HM Treasury in July 2019. The bank was a founding signatory of the Investing in Women Code – a commitment by financial services firms to improve female entrepreneurs' access to tools, resources and finance.

Led by NatWest Group and HM Treasury, working with UK Finance, British Business Bank, UK Business Angels Association and other financial institutions, it has been signed by nearly 80 major banks and investment firms since its launch in 2019.

The Code's first progress report is due in H1 2021 and is expected to contain industry commentary, and insight on the impact of COVID-19 on support for female entrepreneurs. It will also feature case studies from finance providers on best practice to support diversity.

## UK Enterprise Fund

Coutts has partnered with Business Growth Fund to develop the UK Enterprise Fund. This fund will co-invest equity growth capital in businesses looking to scale in the UK. The Fund is committed to providing growth capital regardless of gender or background, and will further provide financial and non-financial support to help female entrepreneurs overcome the barriers they face. The fund will take minority stakes in these businesses, giving entrepreneurs access to the funding they need to scale, whilst retaining control of their businesses.

## → Purpose in action

# Coutts proactively supports a more diverse array of businesses

Coutts supports fast-growing UK-based private companies through both the Coutts Investment Club and the recently announced UK Enterprise Fund. Both services offer a select group of high net worth clients of Coutts the opportunity to invest in innovative businesses rapidly scaling-up to solve the UK's biggest challenges. Coutts brings the best of the bank's networks to both clients and entrepreneurs, offering "capital and connections".



Through the Coutts Investment Club, private clients are given direct access to entrepreneurs seeking growth capital funding. They're often bringing more than investment, frequently acting as mentors or advisors, and even joining boards as non-executive directors.

Sector-agnostic and focused on revenue-generating businesses, the Investment Club reviews hundreds of deals each year to present pre-filtered opportunities to invest in founders from any background.

The 'club' comprises senior executives, experienced entrepreneurs, investment professionals, and family offices, all of whom want access to innovative companies whilst making their own investment decisions.

Coutts has also recently announced the launch of the UK Enterprise Fund, a unique opportunity for select Coutts clients to invest in a diversified portfolio of UK-based growth-stage enterprises.

Inspired by the Alison Rose Review into Female Entrepreneurship, it will address the funding gap for all entrepreneurs across the UK, whilst offering clients a scalable approach to investing in commercially-established businesses.

The Fund is a partnership with Business Growth Fund, and will be supported by initiatives with NatWest to develop and support female-led businesses to make them investment-ready.



# Championing underrepresented entrepreneurs continued

## Experts in Residence

The financial Expert in Residence programme was developed as a means to offer free financial expertise to entrepreneurs in collaboration with 38 Local Enterprise Partnerships (LEPs). As a result of the pandemic in 2020, the focus shifted from direct local interventions to working alongside national organisations such as Amazon, Facebook, Microsoft and LinkedIn, to provide LEPs and Growth Hubs with information on financing, mentoring, sector expertise, supporting virtual events, and connecting them to other entrepreneurs in their networks. In the future, we are looking to expand the programme to include experts from other sectors.

## Mentoring

A key barrier to female entrepreneurs starting or scaling a business is a lack of relatable role models and access to networks, sponsorship and mentorship opportunities through which they can gain relevant advice and insight.

To help address this, NatWest has teamed up with **Be The Business** to pilot the Be The Business Rose Review Female Entrepreneurs Mentoring Programme, a free mentoring service for female entrepreneurs, in the Leeds City Region and the West of England Combined Authority Area. We plan to roll this out in 2021.

## Dream Bigger

Dream Bigger is NatWest Group's own programme aimed at inspiring young girls (aged 16 to 18) and giving them the skills and motivation to start a business. Dream Bigger works with organisations such as Microsoft, Facebook and Young Enterprise Scotland. In 2020, in response to the COVID-19 pandemic, we supported more than 15,000 young people via our live and digital events.



“Growing companies are an essential part of the entrepreneurial ecosystem, and providing the right type of financing to these businesses is fundamental to the recovery of the UK's economy. As evidenced in the Rose Review into Female Entrepreneurship, the most significant barrier, certainly where women in business are concerned, remains awareness and access to capital.”

**Alison Rose**  
Group CEO

## +600

Women in Business specialists throughout the UK, delivering expertise and support to female business owners and entrepreneurs

## 330

We digitised our Women in Business accreditation process, creating 330 new Women in Business specialists and delivering online events specifically for our female business customers to ensure they were supported during lockdown

## → Purpose in action

## Entrepreneur Spotlight



“Recognising the importance of me working on, and not in, the business has been an incredible insight. Being on the Accelerator has enabled me to identify areas of possible weakness within the business and the coaching has given me the space to amplify and reflect my concerns, and explore my options. I have simply loved being with like-minded people who think similarly and who are having the same business experiences.”

**Maxine Laceby**  
Absolute Collagen

“Over the last couple of months I've had network opportunities and supply chain introductions. I've had my business plan regularly reviewed and interrogated. If I wasn't part of the Entrepreneur Programme, this wouldn't have happened.”

**Tom Connor**  
Director, Custom Build Homes

“It has been a massive help to be on the Accelerator Programme during these uncertain times. To be able to connect with organisations not only in Scotland but across the UK, and understand where other organisations are both financially and emotionally, is a massive proverbial sense check.”

**Will Richardson**  
Green Element

## Providing access to funds during the COVID-19 crisis

It's our job to serve customers well.

We provide accessible products, act quickly to fix things when we get it wrong, and help individuals and businesses get through difficulty, hardship and vulnerability. In the near term, this has meant supporting customers throughout COVID-19 so they come out the other side in the best possible financial position. In the longer term, it's helping customers recover and supporting inclusive economic growth. This also includes driving social impact by supporting customers in industries such as education, affordable housing, health and medical research.

To help small businesses survive in this challenging environment, the government launched a number of initiatives to provide access to emergency funds. We participated in these initiatives and supported UK enterprise with over £14.1 billion of lending approved across the three main government support schemes, supporting businesses with c.300,000 loans approved.

We also partnered with the Prince's Trust to launch the NatWest Enterprise Relief fund providing £5 million of grants to young entrepreneurs. In addition, Social & Community Capital, a charity supported by the bank, launched a £1 million Coronavirus Response Fund to offer grants to social enterprises. We also provided payment holidays on over 74,000 business customer accounts.

### → Purpose in action

## Coal Rooms: tackling homelessness through jobs and training

For the Coal Rooms, a London-based social enterprise, COVID-19 threatened to cast a shadow over everything they were doing to help their homeless clients get off the street.

### Self-empowerment and opportunity

Before the pandemic and lockdowns, anyone walking into the Coal Rooms premises next to Peckham Rye station would have found a bustling, vibrant all-day restaurant, cafe and bar offering high-end food to the local community.

But what makes the place really special is the Coal Rooms' social purpose, which is to drive self-empowerment for the homeless employees and trainees who work in the kitchen and restaurant.

The focus is on jobs first, training and work placements to help change lives. The Coal Rooms also provides a range of support services to enable people to build a better future for themselves.

It is this strength of vision and purpose that helped attract funding from Social & Community Capital (S&CC), the independent charity supported by NatWest Group. A grant from S&CC helped the Coal Rooms complete the redevelopment and refurbishment of the restaurant so that they could start trading.

Cemal Ezel explains: "Other funders wouldn't support the restaurant, let alone a social enterprise one. If it wasn't for the S&CC funding, there's no way we could have opened up the restaurant."

### Supporting the Coal Rooms through COVID-19

Since the pandemic, the organisation has had to pivot swiftly. Using the S&CC COVID-19 grant, they have launched a new food order service and tapped into the lockdown world of customers ordering directly to their homes.

Richard Robinson, co-owner of the Coal Rooms social enterprise, sums up how important the funding has been: "We're in a better place than we were two months ago. Without the backing of S&CC, we would have had to stop supporting 36 people and they would have gone back to the streets. We hope to continue the good work that we're doing – making great coffee and food, and supporting our homeless trainees."

Social & Community Capital is an independent charity, supported by the bank. Charity Registration No: 1079626.

### ▶ Watch video



## External collaboration

**We work together with a wide range of organisations and networks to promote, stimulate and support enterprise. By working with expert organisations across the enterprise eco-system, we are better able to support entrepreneurs to succeed – all the way from having a business idea, to managing a side-hustle, to growing their business to scale. Examples include the following:**

### The Prince's Trust

For over 20 years, NatWest Group has supported The Prince's Trust, a charity founded in 1976 by His Royal Highness The Prince of Wales to help vulnerable young people get their lives on track. It supports 11-30 year-olds who are unemployed and those struggling at school and at risk of exclusion.

Our collaboration with The Prince's Trust has never been so important during the COVID-19 pandemic. In 2020, we continued to support young people through the Trust's Enterprise programme. In addition, The Prince's Trust and NatWest Enterprise Relief Fund Grants were distributed to young entrepreneurs whose business were affected by COVID-19.

### X-Forces

X-Forces CIC are a social enterprise who provide a blueprint for ex-military personnel venturing into self-employment. Joint collaborations with the NatWest Group have included the award winning widow's programme, Soldiering On Awards, Military Education conference and many others.

### Pioneers Post

We work closely with the social enterprise magazine, Pioneers Post, on a variety of events and projects throughout the year. This includes:

- The NatWest SE100 Index, the annual list of the UK's leading 100 social enterprises, which are celebrated in our annual awards to recognise the best of social enterprise in the UK.
- The WISE100 Awards and WISE100 Index, an initiative that aims to recognise inspiring and influential women in the social enterprise sector, celebrate the achievements of female social entrepreneurs, and engage in discussion about inspiring the next generation of women to join the sector.

### everywoman

NatWest Group and everywoman have worked together since 2003 – a positive, long-standing relationship that has grown and evolved to meet the bank's strategic objectives with regards to Women in Business. The NatWest Group everywoman awards, now in their 18th year, recognise and celebrate female entrepreneurs and their achievements. In addition, everywoman deliver our Accreditation Programme, which launched in 2012 to produce best in class knowledgeable colleagues that understand female entrepreneurship and can apply business expertise and tangible support to help our female-led businesses to set up and scale. The programme is accredited by the Chartered Banker Institute and certified by everywoman. We've over 600 accredited women in business specialists.

### WeConnect International

This is the leading supplier diversity initiative spearheading the connection of women-owned businesses with multinational corporations. It is Europe's leading advocate of women-owned businesses as suppliers to global and national corporations and government bodies.

The WeConnect mission is to ensure that majority-women-owned businesses (51%+) are given fair and equal access to corporate and public sector procurement opportunities locally, nationally and internationally.

Through our relationship with WeConnect, we've hosted events to promote supplier diversity and the WeConnect International network, including the support and opportunities available to women-owned businesses.

### Asian Women of Achievement

We are proud to support the Asian Women of Achievement Awards celebrating multicultural Britain and the contribution of diverse cultures and talents to UK society. The Awards showcase phenomenal Asian women across the UK and celebrate the valuable impact they make to British life. The awards play a key role in redefining the contribution of Asian women; and informing a new, positive, pro-diversity debate.

### Social & Community Capital

This is an independent charity supported by NatWest in order to help social enterprises and community businesses. Social & Community Capital has a strong heritage over 20 years, providing loan finance, alongside business support, to viable social enterprises who make a positive impact to their community but who are unable to access mainstream funding.

### Scottish EDGE

With the aim of identifying Scotland's up-and-coming, innovative, high-growth-potential entrepreneurial talent, and helping them to thrive, Scottish EDGE provides prize funding and ongoing business support and has so far supported 421 businesses with more than £16 million funding. Alongside The Hunter Foundation and the Scottish Government,

we have a strong working relationship with Scottish EDGE since it was founded in 2014.

### University of Warwick

We work closely with the University of Warwick to champion potential and enterprise for students and the local community. This collaboration has delivered a number of digital events during 2020, including a pitching masterclass to help students develop a confident 60 second pitch and an opportunity to enter a nationwide competition to win £10,000. We have also welcomed six student businesses from University of Warwick onto our Accelerator who are being coached by our experienced Acceleration Managers.

### Business Wales

NatWest and Business Wales have collaborated on several events and together supported Welsh businesses during 2020. Through NatWest's Enterprise and Entrepreneurship proposition and Business Wales's advisers and mentors, entrepreneurs across Wales have been able to access support to start, grow and navigate through challenges during the pandemic.

### University of Ulster

Ulster Bank is working with University of Ulster to help drive more young females towards a career in entrepreneurship. Through the 'So She Did' programme and the University's Business School and Enterprise Centre, the programme is designed to help female students achieve their entrepreneurial ambitions through free access to mentorships, workshops and one-to-one support from business leaders and entrepreneurs.



Purpose focus area

# Learning

We will be a leading learning organisation, enhancing the financial capability of the UK and Ireland, as well as the skills of our colleagues.

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# Our ambition

To be a leading learning organisation, both for our colleagues and our communities

## How are we doing?

### Our targets

#### Customer

**2.5m**

people reached through financial capability interactions each year.

**2m**

additional customers helped to start saving by 2023.

#### Colleagues

**100%**

front-line colleagues professionally qualified/ accredited within first 18 months in role.



Social Mobility Apprenticeship Programme extended across the UK.

### Our progress highlights

**2.9m**

people reached through financial capability interactions<sup>(1)</sup>.



Launched live MoneySense lessons on Facebook and YouTube, making these programmes accessible during the COVID-19 national lockdown.

**98%**

of front-line colleagues professionally qualified/ accredited within first 18 months in role.

**Award**

NatWest Group became the first UK bank awarded Corporate Chartered status by the Chartered Banker Institute.

**600,000**

additional customers helped to start saving.<sup>(1)(\*)</sup>

**2.3m**

downloads of Island Saver, our first ever educational video game teaching children money management skills.

**60**

people joined our Social Mobility Apprenticeship Programme in October 2020 across Data, Digital, Technology, Journey Management and Customer Service programmes in Manchester, London and Edinburgh.

**Learning**

Launched the NatWest Group Learning Academy bringing the very best learning together in one central online location for our colleagues.

## The bigger picture

### Our Learning targets contribute to the following UN SDGs:



#### Quality education

We build financial confidence and resilience among our customers, colleagues and wider communities.

Target: 4.4 & 4.6



#### Reduced inequalities

We seek to ensure that no one is excluded from basic financial capabilities and skills in the UK and Ireland.

Target: 10.2



#### Partnerships for the goals

Powered by innovation, collaboration and partnerships.

Target: 17.17

See page 19 for SDG target level mapping.

### We collaborate with:

**Chartered Banker**

**Financial Services Skills Commission**

**Money & Pensions Service**

**UK Strategy for Financial Wellbeing**



# Building financial confidence and resilience

**We believe in quality education for all and reducing inequalities. We're also passionate about building financial confidence and resilience across society – this has never been more important. If young people are equipped with good money management skills, they're more empowered to make better financial decisions.**

## **Commitment 1: Reach 2.5 million people through our financial capability interactions each year**

Our ambition is to help our customers and communities develop the knowledge, skills and confidence to manage their money in ways that give them control and peace of mind. Our success measures are based on the number of interactions with our financial capability services and activities: MoneySense, Friends Against Scams training, Savings Goals engagement and Financial Health Checks.

## **Commitment 2: Help two million additional customers start saving by 2023**

Our priority is to support customers with no or very limited savings to develop good savings habits. Our success measures are based on the number of customers that managed to save £100 or more since January 2020 – and comparing that with the number with less than £100 in savings the previous year.

## 2.9m

people reached through financial capability interactions<sup>(\*)</sup>

## 600,000

additional customers helped to start saving.<sup>(\*)</sup> Includes instances where customers had existing savings with other banks and transferred them in to their NatWest Group account



## → Purpose in action

## MoneySense

MoneySense is a free financial education programme for 5-18 year-olds structured around fun activities, games and resources that help teach children about money at home, as well as in schools. We've helped over 9 million young people learn about money since we established MoneySense in 1994. In 2020, we've reached over 1.4 million young people with one in three schools across the UK registered to use MoneySense.

As part of our ambition to become a leading bank helping to address the climate challenge, MoneySense released a new workshop, 'Save our pennies, save our planet' for 8-12 year-olds. The workshop explores the topic from a money-saving angle, with pupils tasked to think about everyday activities that use a lot of energy, the role they play in climate change and how to reduce energy costs for a household.

In response to COVID-19 and the closure of schools, we developed a free online toolkit that helped parents and teachers continue to educate children in a way that suited them.

- MoneySense Home Learning – free themed bundles of home learning covering basic money topics, games and activity sheets to encourage independent learning, and articles to support parents during home schooling.

- Distance Learning Bundles for teachers – curriculum-linked resources to support teaching of financial education, Personal, Social, Health and Economic education, and numeracy for remote teaching.
- MoneySense Mondays – live interactive lessons streamed on NatWest, Royal Bank of Scotland and Ulster Bank Northern Ireland social channels, run by a teacher and a Community Banker, tackling a key money topic with children and their parents.
- Virtual Volunteer workshops – all eight workshops normally delivered by bank volunteers in the classroom were adapted so they can be run in a digital format, allowing students to continue to receive top tips expertise and knowledge from external experts.

[Find out more about MoneySense](#)



## Building financial confidence and resilience continued

### How we help

We have a broad range of products, services tools and supporting activities designed to increase financial confidence and money management skills.

*Friends Against Scams* is a National Trading Standards initiative to protect and prevent people from becoming victims of scams by empowering action and raising wider awareness. We support by offering workshops hosted by Community Bankers, individual lessons from branch colleagues, and social media content on our YouTube and Facebook channels. Since 2017 we have reached 449,391 people to be scam-aware.



[Find out more about Friends Against Scams](#)

*Financial Health Checks:* In 2020, we helped over 992,000 customers organise their finances, achieve their goals and make more of important life moments through a free, personalised, one-to-one Financial Health Check. From suggesting easy ways to stay on top of day-to-day spending, to recommending simple ideas to build up savings – the Financial Health Check is designed to put customers in control and help make their money work smarter.

*Know My Credit Score:* Launched in 2020, this new feature within the app helps customers understand what their credit score is, how it's calculated and used, and useful hints and tips on how to improve it. Customers with a good credit score have access to more financial products and services and can often access these at better rates. Personalised insights give customers information on their financial situation and what they can do to improve it, helping them build financial confidence and make better informed financial decisions. Since launch, over 3.1 million customers have signed up.

*Digital Regular Saver:* We made a commitment to help 2 million more customers start to save by 2023. To support this ambition, we launched our Digital Regular Saver account, designed for customers with little or no savings, to encourage them to build up a buffer in times of economic uncertainty. Recognising that many of our customers started to save for the first time during the UK lockdown, we wanted to help our customers start and maintain a long-term savings habit which will help them to become more financially resilient. The product rewards customers for saving little and often and lets them save from £1 up to a maximum of £50 per month, receiving our highest interest rate on balances up to £1,000.

## 992k

customers completed a Financial Health Check



Purpose in action

## Coutts Institute: Supporting the next generation

The award-winning Coutts Institute supports families with wealth succession, family business and philanthropy strategies. It also runs two programmes dedicated to helping the next generation with financial planning: the Coutts Fellowship and Finance Uncovered.

Now in its 10th year, the Coutts Fellowship is designed to educate, inspire and connect the next generation of Coutts clients. The 2.5-day programme is for those aged 22-35 from high net worth families, offering a range of learning opportunities to increase financial awareness and decision-making via workshops, ideation sessions, seminars and keynote speeches.

In 2020, Finance Uncovered was launched. This programme is aimed at 18-30 year-olds from high net worth families and is a series of virtual educational modules introducing the core concepts in the world of personal finance.



## External collaboration

**When considering our ability to impact people's financial capability and wellbeing, we engage with peers, government and civil society to understand the issues, move the debate forward and make a measurable difference. Examples of external collaboration include the following:**

### Money and Pensions Service (MaPS)

We work closely with MaPS in order to support the UK Strategy for Financial Wellbeing. We've committed several senior colleagues to attend the MaPS challenge groups, each aligned to the five pillars of their strategy. This relationship has allowed us to input into conversations concerning financial education services and the broadening of the financial education impact across the UK. We've supported MaPS #TalkMoneyWeek through our own press and social media to encourage our customers to talk about money. As part of this initiative, we've encouraged readers to book a free Financial Health Check to start important conversations about their finances and how to achieve their financial goals. Through the 'nation of savers' challenge group with MaPS, we've worked with other banks, credit unions and stakeholders to inform MaPS key recommendations to help 2 million working-age "struggling" or "squeezed" people into good savings habits. This is in addition to launching our own Digital Regular Saver account in 2020 to encourage consistent saving among our customers who hadn't previously saved.

### Financial Education Forum

NatWest Group is a member of the Financial Education Forum, a platform for organisations and individuals with an interest in financial education policy and programmes. As active

contributors, we're able to share and collaborate with others in the sector to address some of the challenges facing young people and to ensure educators are supported with good quality resources and information.

### Child Trust Funds

Every month, from September 2020 until 2029, between 50,000 and 60,000 18 year-olds will gain access to the accumulated money in their Child Trust Funds. Around 700,000 Child Trust Funds are dormant, but through our relationships with HMRC and Sharefound, we're helping raise awareness of the newly maturing Child Trust Funds, including guidance on how parents and children over 16 can find theirs. We've promoted this on our NatWest MoneySense platform to enable parents to have the information they need to locate the accounts.

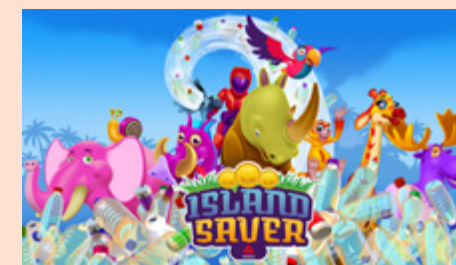
### Money advice sector

Using our position on the Money and Pensions Service Debt Advice Steering Group, we've helped debt advice charities learn from our own experience – for example in digitising debt advice journeys – and to ensure transparency about where additional funding will be spent. We also donated just over £1 million to the money advice sector in 2020 to help soften the impact COVID-19 was having on the sector. It was important for us to demonstrate support to organisations like PayPlan, StepChange, Money Advice Scotland, Citizens Advice, Christians Against Poverty and Money Advice Trust, who all help our customers with impartial money advice. We've also supported the Money Advice Trust and the Money Advice Liaison Group with the launch of their new guidance packs on vulnerability and data protection regulation.

### → Purpose in action

## Island Saver: Using gaming for good

In 2020 we launched Island Saver, the world's first free video game that teaches children about money. Created with independent games developer Stormcloud Games, Island Saver harnesses children's enthusiasm for gaming and makes learning about



money as fun as possible. We collaborated with financial education charity Young Money to design the core money topics, ranging from simple work-to-earn concepts and using a bank account, to foreign exchange, tax and scams. Using the expertise of Young Money and Stormcloud Games, we delivered these complex topics in dynamic, fun-first ways so Island Saver never feels like a lesson. With over 2.3 million worldwide downloads in 2020, Island Saver has transformed how we deliver financial education and paved the way for similar collaborative innovations.



# Helping colleagues realise their potential

As a responsible employer, we are dedicated to ensuring that NatWest Group is a leading learning organisation. For our colleagues, this means equipping them with improved opportunities for continual learning, as well as building a healthy, diverse and inclusive workplace that attracts and retains talent. We know that the capabilities that we'll need to succeed in the future will be different from today, and so, acting as a guardian for our colleagues and the next generation, we're committed to improving employability – and the ability to upskill and reskill – so that our colleagues and wider society can develop and succeed.

The world of work changed for everyone in 2020. As an employer, our first responsibility was to our colleagues. In addition to expanding health and wellbeing support, we rapidly stepped in to enable remote, flexible working as standard. This included reduction of hours, compressed hours, dependants' leave with reasonable time off depending on circumstances and time off for emergencies.

Whether it's enhancing our learning platform for flexible and continuous learning; or nurturing future talent in schools, colleges and universities – we're driving skills and employability across the UK and Ireland.

By creating a true learning organisation, we can continue to learn and develop, ensuring we stay relevant to our customers and position the bank for the future.

## → Purpose in action

### COVID-19: Accelerating our learning goals



Our COVID-19 wellbeing plan fast-tracked the delivery of certain learning goals, as well as enabling remote working and associated work-life balance. In addition we:

- Launched a 'Looking after ourselves and others' microsite as part of our new NatWest Group Learning Academy.
- Tailored our wellbeing support for front-facing colleagues and provided new resilience tools and support focused on anxiety and stress.
- Launched a new Mental Health Awareness programme for more than 10,000 managers.



For more information on our COVID-19 wellbeing plan and how we supported our colleagues, see 'Supporting our colleagues' in the Responsible Business section.

Goals	2020 progress
<p><b>Learning at NatWest Group will increase by 50%</b></p> <p><b>50% of formal learning will be focused on building future capability by 2023</b></p>	<ul style="list-style-type: none"> <li>• Over 2.3 million learning interactions through our key platform, Workday, increasingly via a mobile device.</li> <li>• 28,900 colleagues have visited the NatWest Group Learning Academy to support their development (203,700 visits) since it launched at the end of Q1 2020.</li> <li>• Average elective learning completions through our key platforms have increased 40% through 2020, since the launch of the NatWest Group Learning Academy, when compared with Q1 2020.</li> <li>• Membership of our learning community through our internal social media channel has increased from 27% in January 2020 to 58% (as at end of December 2020), as a result of colleagues engaging in learning as a key focus area of our purpose.</li> <li>• We have made our classroom sessions virtual, accelerating our bitesize learning strategy during the global pandemic, and they've been joined by colleagues over 13,000 times.</li> </ul>
<p><b>Build a culture of continuous learning</b></p>	<ul style="list-style-type: none"> <li>• We launched Learning with purpose, a new series of monthly spotlights to provide learning opportunities and experiences to colleagues across the Group. Our learning content was used over 11,000 times either in live events with inspirational speakers or on demand, and over 3,000 colleagues became new members of our #LoveLearning community during the campaign weeks.</li> <li>• Learning behaviours are embedded in our Critical People Capabilities and there is an increasing focus also in 1:1s, coaching, personal development and recognition.</li> </ul>
<p><b>Talent &amp; Employability</b></p>	<ul style="list-style-type: none"> <li>• We are investing in the next generation, hiring over 760 Interns, Graduates and Apprentices to the business during 2020, and we aim to hire a further 1,000 in 2021.</li> <li>• Our Social Mobility Apprenticeship Programme is expanding to include London, Edinburgh and Manchester. We give new candidates from underrepresented backgrounds the opportunity to develop future skills and capabilities.</li> <li>• In early August 2020, we launched the NatWest Group Mobility Hub. The Hub is a key tool to support with redeploying colleagues and reskilling them for the future of work. The Hub offers support to build different skills, develop career plans and help colleagues move around internally or into opportunities outside the organisation.</li> </ul>



# Helping colleagues realise their potential continued

## Great leaders and managers

For us to achieve our purpose, we need great leaders. “Determined to Lead” is our bank-wide leadership programme, teaching the skills and techniques that enable our leaders to lead, manage and coach. “Fit for future” is the leadership development community for senior leaders so that they are ready to deliver NatWest Group’s long-term goals.

“Ivy House” is a development programme aimed at our highest potential emerging leaders. The focus is on colleagues who are ready to make an impact and giving them the tools to shape their future. “NextGen” identifies, harnesses and develops our next generation of leaders to cope with the speed, volatility and complexity of this changing world of work.

We also have a NatWest Group Junior Management Team who work closely with our Executive Committee to help inform and influence key strategic themes, making sure the views and voices of colleagues are heard at the most senior levels of the organisation.

We use an evidence-based approach that draws on behavioural science and future of work research, alongside key internal data regarding organisational capabilities, people strategy and capability, and have identified five key priority development areas for all colleagues. We called these our Critical People Capabilities. They’re focused around innovation and improvement; being ready for change; thinking critically; collaboration; and being a trusted advisor.

In addition to the impact shown through colleague engagement with the development offerings and tools, there are other signs that our approach is having a positive impact on colleagues and our strategic objectives. Currently, our internal colleague opinion survey shows that 79% of colleagues feel that NatWest Group is doing a good job developing people to their full potential, and places us 18 points above the Global Financial Services norm.

## Our approach to recruitment

We post all jobs internally, via Workday, for colleagues to apply. We run Career Development Events so that our colleagues can see how they can develop themselves and their wider career options across the bank. We also have a Mobility Hub which supports with redeploying colleagues and reskilling them for future work. The Hub supports colleagues on a number of fronts such as CV reviews, interview skills, support to find a new role internally or getting ready for working outside the bank.

With external recruitment, our NatWest Group Careers site gives comprehensive insights to our jobs, culture, locations and our application processes. It also hosts a variety of blog content to portray our stories of what it is like to work here. We also make sure candidates can easily request any adjustments to help complete their application or assessment.

## → Purpose in action

### Career-long learning

**The NatWest Group Learning Academy:** In 2019 we implemented Workday’s cloud-based learning management system to provide colleagues with an enhanced digital learning experience on any device, any time and also to unlock peer to peer sharing. It was the first step to launching the NatWest Group Learning Academy in 2020, our single learning hub to support our colleagues build capability – the skills, knowledge and behaviours – they need to succeed. The Academy provides access to a wide range of toolkits, learning content, ideas and conversations that will build capability on key topics such as climate, inclusion and wellbeing. It provides structured and informal learning, encouraging simple moments of reflection and knowledge sharing between colleagues.

The NatWest Group Learning Academy has been viewed over 203,700 times by colleagues in 2020 and increasingly learning content accessed through our learning management system has been completed on a mobile device. We will continually evolve the NatWest Group Learning Academy by enhancing the colleague journey to find the most relevant internally developed, colleague generated and externally sourced learning content. We’ll also embrace new learning technologies and innovations that improve and personalise the overall experience.

**The Data Academy:** We are focused on helping our colleagues develop the right skills, mindsets and behaviours for the future and in 2019 we were the first UK bank to launch a Data Academy, to nurture and grow data expertise, innovation and collaboration. In 2020, it was recognised externally as Best Development Programme at the Data IQ awards. With over 7,220 individuals enrolled and 188 colleagues having completed and graduated from their c.16-week programmes.

**Climate-related training across our bank:** c.500 of our senior leaders have been enrolled on a sustainability leadership programme with the University of Cambridge Institute for Sustainability Leadership (CISL).

The programme ran over nine weeks, led by the CISL faculty, and drew in academic and industry experts. It supports in boosting the climate and broader sustainability knowledge and skills of some of our most senior leaders across the bank.

The University of Edinburgh’s Centre for Business, Climate Change and Sustainability trained c.800 of our colleagues to help us support our customers to reduce their carbon impact and transition to the low carbon economy.



## Helping colleagues realise their potential continued

### A framework for skills

We're developing a skills framework to inform individual, team and company decisions on upskilling, reskilling, and mobility strategies. Bringing together our skills development tools, models and infrastructure under one framework will underpin and enable us to optimise our learning goals. This investment in developing an effective skills framework will benefit:

**Our colleagues** – helping them to more easily highlight their full range of capabilities, not just those aligned to their current job; to find future opportunities that match their skillset; and to make educated choices about skill-related development, whether this be learning or mentors.

**Our business** – helping NatWest Group better understand the workforce of today and the requirements for tomorrow to inform our approaches to workforce planning.

**Our customers, communities and wider society** – with better service, as we will be more responsive to their changing and evolving needs. Through proactive partnering with external organisations, we will also support communities and future generations to have the right skills for the future.

The work we do will also benefit pan-industry, or potentially be done in partnership, through our Board membership of the Financial Services Skills Commission taskforce.

### Schools and academic partnerships

We created our Academic Partnerships team to broaden our relationships with our key university partners as well as develop and launch our employability proposition to 13-24 year-olds in 2021. We have a number of partnerships and sponsorships in place to support that goal; helping us reach more pupils in the right communities, in the right way and designing content aligned to curriculums. In 2020, we virtually welcomed 30 students for our first social mobility insight week and piloted our school employability workshops for 1,000 students as they enter a difficult jobs market.

Here's some of what we're aiming to achieve in 2021:

- We're sponsoring 1,000 pupils (aged 16-18) through the Ivy House Award over two years to develop leadership and life skills that will enable them to take ownership of their future.
- Partnering with Career Ready to provide placements and mentoring for 15-18 year-olds.
- Adapting our school employability workshops to launch nationwide in 2021.
- Launching our brand-new Find your Potential tool; a free-to-access tool to help young people understand their strengths, preferences, skills and possible future career paths.
- Offering up to 60 social mobility insight week placements.
- We'll be the headline sponsor of National Careers Week for the sixth year running.

### → Purpose in action

## Early Careers and Professional Development

We attract, select and hire the best apprentices, interns and graduates we can. This helps us build the skills and capabilities we need now and for the future. We've always been passionate about supporting young people and their careers, with a key role to play in inspiring future generations to develop their skills, experience and employability.



Our apprenticeships combine on-the-job learning with studying for qualifications and are a fantastic alternative to further education. In 2020 we hired 115 apprentices, of which 60 were recruited via our social mobility proposition, working with our charity partner Leadership through Sport and Business. Since 2015, we have placed 822 apprentices in permanent roles.

In 2020, we virtually inducted 390 graduates. Our graduate programmes are two or three years long and we have opportunities right across our business. We've designed our programmes so graduates will build up key skills and get their careers off to a flying start.

In 2020 we hired 261 interns. This paid work experience programme remains a strong pipeline of talent for our graduate programme and in 2020, due to COVID-19, we ran a reduced virtual internship programme. Read more about our Early Career proposition on [natwestgroup.com](https://natwestgroup.com).

Our target for all front-line colleagues to be professionally qualified/ accredited within their first 18 months reflects our purpose to champion potential – in turn, this also ensures we serve our customers better.

Funded by the government's apprenticeship levy, Professional Career Development Programmes have enabled more than 680 colleagues to gain professional qualifications through their role.

# What's next?

## Building financial confidence and resilience

- We have a continued commitment to support the Financial Capability of the UK and we will achieve this by focusing on financial tools and services, digital adoption, skills and safety and tailored education content.
- Evidence is emerging of the disproportionate impact of the COVID-19 crisis on young people who will need targeted help with their finances in the short term as well as far-reaching support for those at the start of their employment journey. The 2020 review of MoneySense provided a clear way forward and we will be implementing changes to the programme to help young people take charge of their financial decisions.
- Parents are also looking for support in teaching good money habits at home and, from early 2021, NatWest Group will be piloting Talk, Learn, Do, a 2-hour workshop for parents of 3-11 year-olds. The programme was created by the Money and Pensions Service and we will be working with parents in community settings and schools.
- In addition, we will look through, amongst others, the lenses of Black, Asian and Minority Ethnic groups, women, liquid workers and young people to identify additional areas in which we can support our customer base and the wider community.

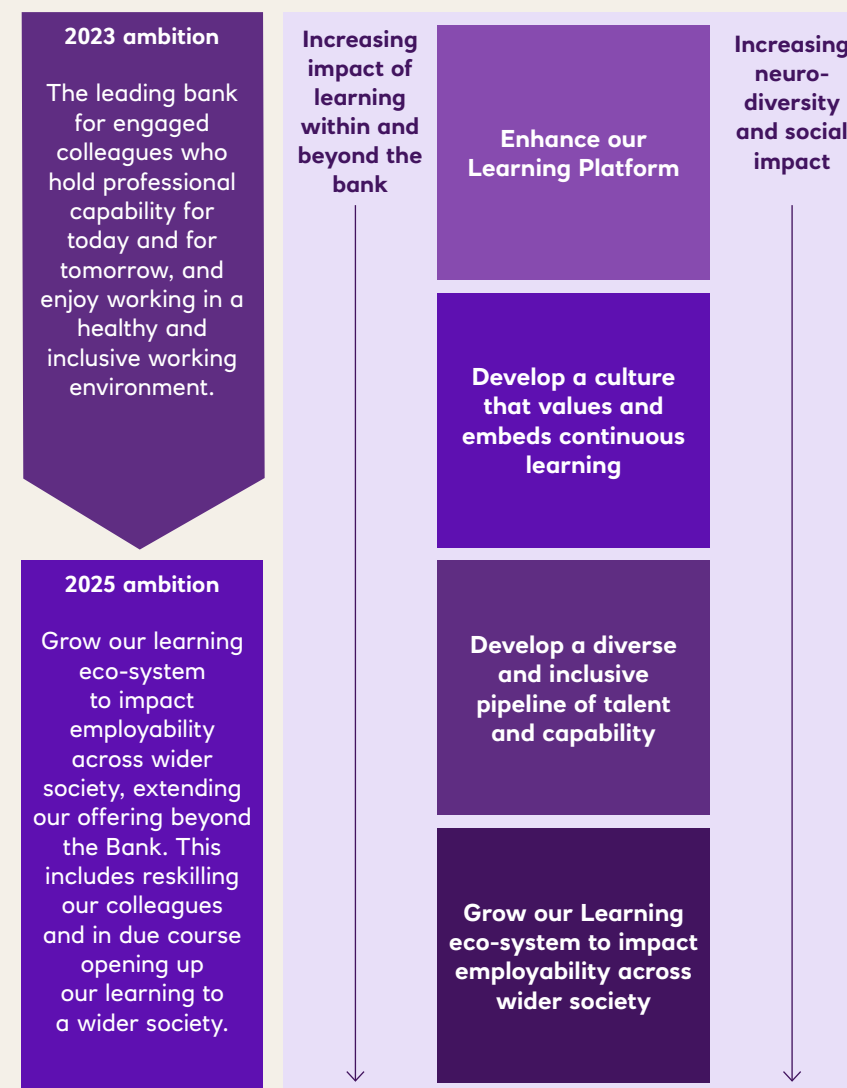
## Helping colleagues realise their potential

Continual learning needs to become a core capability for every one of us and as a bank. Each of us is responsible for our own learning and ensuring our skills and knowledge remain relevant for now and the future. We will shift from a 'know it all' to a 'learn it all' philosophy, unlearn and learn in work, and partner and collaborate internally and externally to achieve more. Learning behaviours are embedded in our Critical People Capabilities behavioural framework. They will become an increasing focus in 1:1s, coaching and personal development, performance discussions and recognition.

We will continue to build an enquiring, healthy, diverse and inclusive learning culture that helps our people to address today's immediate challenges while supporting colleagues and communities to gain professional capabilities and accreditations. We also partner and collaborate internally and externally for longer term and mutual value. This means we are championing potential from schools through to university and the workplace, as we strive to encourage diversity for generations to come.

We will set expectations and standards for learning, with learning and reflective practice increasingly being recognised. This will help embed a behavioural and mindset shift to enable life-long learning – learning for now and for the future.

## We have an ambition to 2023 and a 2025 ambition to support our colleagues on their learning journey.



# Responsible Business

We will measure ourselves against the highest standards that we set for ourselves, particularly on important matters such as conduct, fair pay, taxes, customer safety and human rights.

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# How we do business

**Our purpose-led business strives to put the needs of people and planet at the heart of everything we do. This includes our colleagues, customers, suppliers, communities and shareholders. To do this, we operate as one team, building a bank that is safe, simple and smart that will help all our stakeholders to thrive. We have four key tools to guide the way we work together:**

## Our Code – How we work

Our Code lays out our purpose and the values and behaviours we expect from each other. It underpins all our actions and interactions – within the bank and in our external relationships – and sets out the principles for making responsible decisions, as well as the values behind our purpose and culture. These are:

- **Serving customers:** we exist to serve customers. We earn their trust by focusing on their needs and delivering excellent service.
- **Working together:** we care for each other and work best as one team. We bring the best of ourselves to work and support one another to realise our potential.
- **Doing the right thing:** we take risk seriously and manage it prudently. We prize fairness and diversity and exercise judgement with thought and integrity.
- **Thinking long term:** we know we succeed only when our customers and communities succeed. We do business in an open, direct and sustainable way.

The integrity of Our Code rests in the hands of every individual in NatWest Group and is fully aligned to the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) Conduct Rules which apply to all directors.

## The YES Check – How we make decisions

The YES Check asks five simple questions to guide the thinking behind our decisions and actions.

### The YES Check

- 1 Would others say I am acting with respect and integrity?**  
Consider: What would your family, friends, colleagues and community think?
- 2 Does what I am doing keep the bank, our customers, and communities safe and secure?**  
Consider: If you presented this decision to a group of savers or shareholders, would you be seen as taking due care?
- 3 Am I acting fairly and being inclusive?**  
Consider: What are you trying to achieve? Have you considered everyone affected by this decision including the underserved or excluded?
- 4 Have I sought out, listened to and taken different perspectives into account?**  
Consider: What assumptions have you made? Have you been curious and tested your thinking on people with different views and looked at different data?
- 5 Will this advance our purpose to champion potential and help people, families and business thrive?**  
Consider: How? Try writing the press release – does it sound good for customers and communities? What is the impact on future generations?

## Our Conduct Rules and Critical People Capabilities – How we behave

The Conduct Rules and Critical People Capability Behaviours describe how we should approach our jobs. They show us how to behave every day.

## Our Policies – How we do things

Our Code and the YES Check are supplemented by a number of key policies and supporting guidance to ensure legal and regulatory requirements are met. They outline the expectations of the Group, customers and regulators as well as the processes and procedures that must be followed. The policies also seek to ensure that risk is managed in a way that protects our customers and enables business continuity, even during challenging times. They include policies relating to anti-bribery and corruption, anti-money laundering, sanctions, managing conflicts, inside information and personal account dealing, complaints management, privacy and client confidentiality, health, safety and environment, and managing records.

 [Find out more about how we support compliance with the Code here.](#)

## The importance of risk culture

Risk culture is at the centre of both the risk management framework and risk management practice. NatWest Group's risk culture target is to make risk part of the way our colleagues work and think. A focus on leaders as role models and action to build clarity, develop capability and motivate our colleagues to reach the required standards of behaviour are key to achieving the risk culture target.

## How we manage risk

NatWest Group operates an integrated risk management framework centred around the embedding of a strong risk culture. The framework seeks to ensure the tools and capability are in place to facilitate risk management and decision-making across the organisation. Risk appetite, supported by a set of principles, policies and practices, defines the levels of tolerance for a variety of risks and provides a structured approach to risk-taking within agreed boundaries. All NatWest Group colleagues share ownership of the way risk is managed, working together to make sure business activities and policies are consistent with risk appetite.

At NatWest Group we use the industry-standard **three lines of defence** model to articulate accountabilities and responsibilities for managing risk. It supports the embedding of effective risk management throughout the organisation:

### First line of defence

The first line of defence incorporates most roles in NatWest Group, including those in the customer-facing franchises. It is empowered to take risks within the constraints of the risk management framework and policies as well as the risk appetite statements and measures set by the Board. The first line of defence is responsible for managing its direct risks. It is also responsible for managing its consequential risks by identifying, assessing, mitigating, monitoring and reporting risks.



## How we do business continued

### Second line of defence

The second line of defence comprises the Risk function, which oversees and challenges the firmwide management of risk and the efficacy of the related controls. In addition, the Risk function is responsible for developing material risk policies and strategic frameworks for the business to use.

### Third line of defence

The third line of defence is the Internal Audit function. This is responsible for providing independent and objective assurance to the Board, its subsidiary legal entity boards and executive management on the adequacy and effectiveness of key internal controls, governance and the risk management in place to monitor, manage and mitigate the key risks to NatWest Group plc and its subsidiary companies achieving their objectives.

We have a number of systems and mechanisms in place to monitor and manage compliance to Our Code and policies:

- **Disciplinary actions in case of breach.** Colleagues falling short of the expected standards would be subject to internal disciplinary policies and procedures, which could result in dismissal and, where relevant, the relevant authority would be notified.
- **Employee performance appraisal and remuneration.** NatWest Group's remuneration policy supports the business strategy and is designed to promote long-term success. Conduct and behaviour – as well as risk management – are assessed as part of the process for all employees. If conduct falls short of the required standards, the accountability review process is used to assess how this should be reflected in pay outcomes for those

individuals concerned. The remuneration policy seeks to ensure that the remuneration arrangements for all colleagues reflect the principles and standards prescribed by the PRA rulebook and the FCA handbook.

- **Regular mandatory training for all colleagues on the YES Check, Our Code, and conduct policies.** A wide range of learning, both technical and behavioural is offered across the risk disciplines. This training can be mandatory, role specific or for personal development and enables colleagues to develop the capabilities and confidence to manage risk effectively.
- **Testing and monitoring.** Specific activities relating to compliance, conduct and financial crime risk are subject to testing and monitoring. This confirms to both internal and external stakeholders – including the Board, senior management, the customer-facing businesses, Internal Audit and NatWest Group's regulators – that risk policies and procedures are being correctly implemented and that they are operating adequately and effectively. Selected key controls are also reviewed for adequacy and effectiveness. Thematic reviews and deep dives are also carried out where appropriate.

Externally, we welcome feedback from regulators and industry bodies, including on our reporting.

### Oversight and monitoring

The Board of Directors is responsible for the system of internal controls that is designed to maintain effective and efficient operations compliant with applicable laws and regulations.

The Group Board Risk Committee is in charge of overseeing and regularly monitoring NatWest Group's control environment through regular reporting. The Group's regular reporting also includes content relating to conduct and regulatory compliance risk, financial crime, operational risk, operational resilience and cybersecurity as well as spotlights on key areas of risk management focus.

The Group Audit Committee supports the Board in carrying out its responsibilities relating to internal control. It reviews the system of internal controls as well as the procedures for monitoring the effectiveness of such controls. The Group Audit Committee monitors any significant deficiencies and material weaknesses in internal controls and the implementation by management of appropriate remedial action.

Both the Group Board Risk Committee and the Group Audit Committee review the outcomes of the Control Environment Certification process. This is a half yearly self-assessment by the CEOs of NatWest Group's principal businesses, functions and legal entities. It provides a consistent view on the adequacy and effectiveness of the internal control environment across those businesses, functions and legal entities.



For further information, refer to the Internal Control element of the Compliance Report as well as the Risk & Capital Management section of the 2020 Annual Report and Accounts.



# How we do business continued

## Conflicts of interest

We have in place a Conflicts of Interest policy which sets out how we will identify, prevent or appropriately manage actual and potential conflicts of interest that may arise through the normal course of business. Below is a description of our Conflicts Policy. We are required to take all appropriate steps to identify and to prevent or manage conflicts where:

- the interests of one part of the Group conflict directly with those of another part or a customer;
- the interests of our employees conflict with those of our customers; or
- the interests of two or more of our customers compete with one another.

Our Conflicts Policy identifies, with reference to the activities and services we provide, the circumstances which constitute or may give rise to conflicts which involve a risk of damage to the interests of one or more parts of the group or of our customers. It also specifies the procedures and measures that we have put in place to prevent or manage such conflicts.

To ensure that the Conflicts Policy is implemented effectively we seek to continually and proactively identify situations where potential conflicts may exist, and govern those situations to ensure fair and proper outcomes. We also employ a number of techniques to manage and mitigate conflicts, including: using physical and electronic information barriers to control the flow of information between different parts of the group; separate supervision of our employees who are involved in different business activities providing services to customers whose interests may conflict; a remuneration policy to avoid our employees being remunerated in a way that creates conflicts; maintaining and reviewing a Conflicts Register; and provision of

internal guidance and training to relevant employees to raise their awareness of conflicts and how to deal with conflicts when they arise.

## Anti-trust and anti-competitive practices

We are committed to competing fairly across all sectors in which we operate. We take a very firm approach to compliance with competition law. This means that all employees worldwide must understand their competition law obligations, however junior or senior they may be and wherever they are located.

Under the Group-wide Competition Policy, all colleagues must complete annual competition law training to ensure they understand their obligations and further specialist advice and training is also provided by our in-house competition lawyers.

## Whistleblowing

Feeling free to speak up is valued at NatWest Group. We want our colleagues (including contractors, temporary workers, secondees and consultants) to feel confident to raise concerns about employee wrongdoing or misconduct without fear of retaliation. 'Speak Up' is the bank's formal whistleblowing service, which enables colleagues to report concerns in confidence (and anonymously if preferred) through a secure whistleblowing reporting system. The reporting service is operated by an independent third party, on behalf of NatWest Group.


Colleagues using the Speak Up framework are protected from being treated detrimentally as a result of raising their concerns, both through our internal policies and where applicable by legislation. The Group Audit Committee monitors the effectiveness of the Group's whistleblowing process and receives updates on the volume of whistleblowing reports and any common themes. The Group Audit

Committee chairman acts as the Group's whistleblowing champion. All colleagues receive annual awareness training on whistleblowing and how to raise concerns. More detailed targeted training is also provided to specialist teams involved in the management and investigation of whistleblowing reports.

There is no definitive list of what can be reported via Speak Up – we want to know about any concerns colleagues have about wrongdoing or misconduct that affects NatWest Group, its customers, employees, shareholders or the general public. Below are some examples of what can be reported through Speak Up, as documented in the Speak Up Policy:

- conduct and behaviour that falls short of the Code, including sexual harassment or discrimination;
- criminal activity including authorisation breaches, theft or involvement in the facilitation of slavery;
- breaches of NatWest Group policies, procedures or customer treatment standards (such as mis-selling);
- manipulation of sales or service processes;
- breaches of regulatory or legal requirements (such as financial services regulators' rules and regulations, data protection law and competition law);
- breaches of financial accounting and auditing obligations;
- colleagues dealing inappropriately with their own accounts or the accounts of others;
- behaviour that harms the reputation or financial wellbeing of NatWest Group;
- other risks or dangers at work (such as breaches of IT security); and
- any attempt to conceal any of the above points.

Our **Speak Up Policy** sets out our commitment to protect anyone raising a genuine concern, even if the concern raised is considered to be unsubstantiated (not proven) after investigation. All whistleblowing concerns are investigated, as appropriate. Where concerns are substantiated, recommendations are made for remedial action, which can include changes to processes and controls as well as disciplinary actions. Furthermore, the harassment, victimisation or discrimination of anyone raising a genuine concern will be viewed as a disciplinary matter. In 2020, our colleague opinion survey, Our View, has shown the highest ever score (88%) when asking colleagues if they feel safe to speak up. Additionally 96% of colleagues responded that they can describe how to raise concerns about wrongdoing in their business. In 2020, 441 cases were raised compared to 458 in 2019.

 **Read more:**  
**Our Speak Up Policy**

## 96%

of colleagues could describe how to raise concerns about wrong doing.

## 88%

of colleagues feel safe to speak up in their business.

## How we do business continued

### Lobbying and political involvement

We make no contribution to political parties, and we have no political association with any party. We have a longstanding policy of not making political donations or incurring political expenditure and during 2020 we made no political donations, nor incurred any political expenditure in the UK or EU although we had authority to spend up to a maximum aggregate sum of £100,000.

As bankers, we have banking relationships at a national and local level with most of the established political parties, who are treated in the same way as other customers. As a matter of good business practice, we keep in close touch with government and ensure that, whenever issues arise which may affect the operation of our business and the interests of our customers or shareholders, we discuss these with the authorities concerned. Our Employee Conduct Policy states that employees involved in local or national politics should ensure that their political activities are kept entirely separate from their duties and that NatWest Group funds and resources are not used for political purposes.

We are a member of several trade associations, such as UK Finance. Where appropriate, we provide input to consultation responses on varying topics, such as the UK's transition to a low carbon economy, setting industry standards, provision of shared services and supply of training services for their members.

### Financial crime

At NatWest Group, we understand that tackling financial crime is the right thing to do, not because legislation tells us to. Our approach to preventing financial crime seeks to tackle the harm generated to protect people, families and businesses, as well as supporting compliance with relevant financial crime legislation and regulation in the jurisdictions in which we operate. Our approach to compliance with financial crime legislation and regulation considers not only the letter, but also the spirit of applicable laws and regulation.

NatWest Group is not willing to tolerate breaches of Money Laundering, Terrorist Financing, Sanctions, Bribery and Corruption, Tax Evasion and Fraud laws.

Our financial crime framework is built on the following pillars:

- Policies and procedures – to ensure that our business seeks to prevent, detect and address financial crime as a result of our operations, products, services, our customers and suppliers
- Regular risk assessments – to ensure that we align and continue to strengthen procedures in line with our inherent risks
- Independent audit – to continuously assess the effectiveness of our controls
- Customer – we know our customers by undertaking due diligence and monitoring
- Process and technology – we have systems and controls to manage the risks presented
- Culture and colleagues – colleague and customer training and awareness activity so that everyone understands the role that they play in tackling financial crime
- Partnership working – we recognise that to tackle financial crime, we cannot do this in isolation and we work with partners including industry bodies, law enforcement, regulators and government.



[Read our Financial Crime Statement](#)

# How we do business continued

## Environmental, social and ethical risk management

We recognise that the activities of our customers can have environmental, social and ethical (ESE) impacts – including polluting activities and the potential for human rights infringements. To help us assess and manage these risks, we have an ESE Risk Framework comprising of policies and processes to give us better insight into our customers' activities and address issues of concern to minimise risks to the bank and manage stakeholder expectations.

The ESE Risk Framework was implemented in 2011 to give clear guidance to employees when dealing with customers, projects and transactions that present heightened ESE risk and forms part of the bank's overall Reputational Risk Policy.

A specialist team is responsible for developing and maintaining our ESE Risk Framework and assisting the business and support functions on its implementation and oversight. Risk officers and customer-facing colleagues receive regular training on ESG risks and procedures. Our policies reflect applicable national and international laws and take into account good international practice, for example managing climate change. They also incorporate a number of voluntary standards such as the Equator Principles and the UN Global Compact.

ESE sector Risk Acceptance Criteria define the level of ESE risk the bank is prepared to accept, and our expectations of companies to manage ESE risks. This includes having relevant policies and procedures which demonstrate a good understanding of ESE issues and the capacity to manage these risks through good governance and controls. It also includes a positive track record of managing ESE risks and a commitment to transparency.

We also expect our customers to adhere to local and international environmental, social and human rights standards. The policies apply to all legal entities within the Group.

NatWest Group has developed nine ESE sector Risk Acceptance Criteria on sectors which present heightened ESE risk and require enhanced due diligence. We also have a process to escalate other ESE Risk Concerns which applies to customers who operate outside of these sectors. These sectors include:

- Adult Entertainment Customer
- Animal Testing Customer
- Defence Customer & Defence Trade Transaction
- Forestry, Fisheries & Agribusiness Customer
- Mining & Metals Customer
- Oil & Gas Customer
- Gambling Customer
- Power Generation Customer
- Private Security Companies



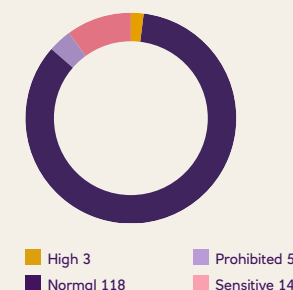
[Read more on our ESE & reputational risk management](#)

An ESE Risk Assessment is also required for any new or existing customer or transaction where ESE Risk Concerns exist. The ESE Risk Concerns process seeks to ensure that ESE risk is identified and managed for customers and transactions in sectors which are not covered by the ESE Sector Risk Acceptance Criteria. Examples might include major or sustained environmental, human rights, modern slavery or socially-related campaigns against a company, and might include sectors such as agriculture/food, chemicals, tobacco, pharmaceuticals and waste management or companies associated with controversial projects.

The ESE Risk Concerns process applied in conjunction with the YES Check, can help determine whether an ESE risk may exist. The existence of an ESE Risk Concern does not necessarily mean that NatWest Group shall not support the customer, but allows us to better manage the risk and conduct appropriate due diligence.

Our ESE policies are reviewed and updated regularly to ensure they reflect the evolving risk landscape. They classify activities into three categories; Prohibited, Restricted and Normal risk (see graph 1). We do not support customer activity or individual transactions which are prohibited. We complete an ESE Risk Assessments for customers engaged in restricted activities, when the relationship is established and then every one or two years thereafter. The final risk assessment is presented to a specialist risk committee or accountable executive for approval. Customers with activities limited to 'normal' (lower risk) ESE activities, are assessed every five years, unless an event triggers a review in the interim period.

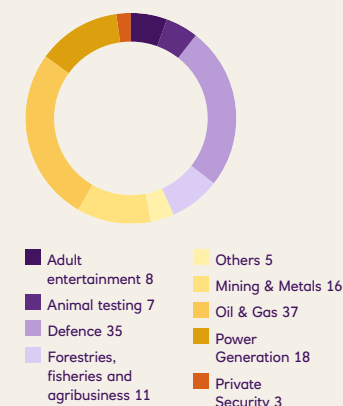
**Graph 1: Customers assessed against the ESE policy in 2020 by category**



2020 total 140 (2019 – 293)

Prohibited category typically includes companies whose activities have changed over time and no longer meet our criteria. Prospective customers who are already engaged in prohibited activities would not be onboarded, therefore are not included in this figure.

**Graph 2: Customers assessed against the ESE policy in 2020 by sector**



2020 total 140 (2019 – 293)

There were 90 Defence Trade Transaction assessments completed in 2020 (2019 – 126).

## How we do business continued

In February 2020, our Mining & Metals, Oil & Gas and Power Generation ESE risk acceptance positions were updated respectively, to include new coal financing thresholds, helping to end the most harmful activity by progressively withdrawing support from non-Net Zero aligned activity in the coal, oil and gas sectors, if they do not have credible transition plans in line with the 2015 Paris Agreement in place by end of 2021. The ESE risk acceptance positions have also been enhanced in 2020 to include prohibitions on project financing for fracking or oil and gas exploration.

Additional changes are being drafted to ensure that further climate change considerations are made in all relevant Risk Acceptance Criteria.

In 2020, we undertook 140 Customer ESE assessments on customers in high risk sectors (see graph 2 on the previous page) and 90 trade-related transactions involving defence equipment.



Find out more in our 2020 Annual Report and Accounts

All transactions that fall within the scope of Equator Principles undergo an initial environmental and social risk screening (using a questionnaire). Typically for project finance deals, a suitably qualified technical advisor is engaged, who provides an opinion on potential environmental and social impacts of the project and compliance with the Equator Principles.

Additionally, such transactions are subject to enhanced due diligence by an ESE advisory team. This includes a review of the project-related transaction for compliance with the Equator Principles. The end result is documented, and forms part of the credit application pack submitted for approval.

The Equator Principles use a scale of categorisation – A to C – to determine the scale of environmental and social impacts, with Category A being projects with the highest impacts and Category C, the lowest. Depending on the risk category, the prospective financing may be subject to a further and separate review by a Reputational Risk Committee. The requirements of the Equator Principles are embedded in the bank's ESE Risk Policy.

### Protecting nature through Soft Commodities Compact

NatWest Group was a founding member of the Soft Commodities Compact, formed in 2014. Together with eleven other financial institutions, this was a voluntary initiative led by the Consumer Goods Forum and the BEI. The Compact aimed to mobilise the banking industry to help sustainable supply chains for commodities commonly associated with deforestation (known as soft commodities), thereby helping customers to achieve zero net deforestation by the end of 2020.

As a founding member, these issues are included within our ESE framework, which includes a 'risk appetite' position. ESE issues associated with soft commodity production, including palm oil, soy and timber,

are addressed in the Forestry, Fisheries and Agribusiness risk appetite. We expect our customers to commit to responsible practice frameworks such as the Roundtable on Sustainable Palm Oil, Roundtable on Responsible Soy, Forestry Stewardship Council or the Programme for the Endorsement of Forest Certification. Customers are encouraged to attain certification status by an agreed timeframe. Such customer relationships are subject to regular ESE assessments which include review of progress towards certification. Failure to achieve certification may result in us withdrawing our support for the relationship.

In 2020, we reported against the Soft Commodities Compact<sup>(1)</sup>:

- Palm Oil: 100% of customers (processors and growers) who fall into the scope are expected to be fully certified between 2020-2024.
- Soy: 100% of our customers who fall into the scope were Roundtable certified, the extent of coverage is not reported.
- Timber: 100% of our customers who fall into the scope are FSC only or FSC and PEFC certified.

The Compact group concluded at the end of 2020 with the publication of the report **Banking Beyond Deforestation**.

In 2020, NatWest Group responded to Defra's public consultation on mandatory due diligence rules for 'forest risk commodities' (agricultural and forestry commodities consumed in the UK which may be driving

illegal deforestation). We welcome the legislation and suggest it could go further and be more targeted. The proposed legislation would make large businesses responsible for ensuring that the commodities in their supply chains are not derived from illegal deforestation and land clearance for agriculture. Currently, the proposed legislation does not consider the amount of commodity used by a company and the definition of legality is based on local laws in the area the commodity was sourced, as opposed to a fixed standard. The proposed list of forest risk commodities for which due diligence would be necessary is currently: beef and leather; rubber; pulp, paper and timber; soya; palm oil; and cocoa.

Note: (1) Customers who fall within scope of the FFA ESE sector risk appetite process are included. Then, following Compact guidance, only customers of Commercial Banking and NatWest Markets have been included where they are sourcing soft commodities from tropical regions. Source data was extracted May 2019 with First Line and Second Line of defence review in January 2020. NatWest Group is a UK-centred bank and therefore has limited geographical focus on countries experiencing high risk of tropical deforestation. Through this customer analysis, best efforts to trace in-scope customers have been made. To ascertain certification data for our customers, publicly available information has been used e.g. the certification schemes online databases. Limitations of this approach are recognised and through the BEI and The Compact, we are working with other financial institutions on improving data availability.



# Engaging our suppliers

## The NatWest Group Supplier Charter

Becoming a purpose-led business means shifting to a model that measures success through the strength of our relationships with all our stakeholders – and this includes our supply chain. Our ambition is to be able to quantify impact of supplier activities through a supplier engagement framework by 2022 and to work with suppliers to innovate collaboratively by 2025.

In a milestone towards these ambitions, in 2020 we launched our new NatWest Group Supplier Charter. Replacing the Supplier Code of Conduct, our Supplier Charter sets out our aims and expectations in the areas of ethical business conduct, human rights, environmental sustainability, diversity and inclusion, the Living Wage and prompt payment. It details what we expect from our suppliers, and importantly now clearly outlines what our own commitments are in these key areas and the outcomes we will achieve by working together.

The Chief Administrative Officer is the Accountable Executive of our Supplier Charter, which is reviewed annually. Regular review ensures that the Charter continues to help us become a more sustainable business, delivering better outcomes for our customers, our shareholders and the communities in which we operate.

In developing the Charter, subject matter experts across the bank were involved, including policy owners, Sustainability colleagues and Legal. We also looked at those of our peers and other organisations to help us understand how it measures up.

In 2020, we created a new relationship working with EcoVadis. EcoVadis are a leading organisation in providing companies with independent, third-party evidence-based assessments of an organisation's sustainability performance. EcoVadis undertake over 75,000 assessments annually and benchmarks against its 440+ other clients across multiple sectors and industries. EcoVadis will help us to understand and measure our performance and the performance of our suppliers against the Charter, enabling us to identify social, environmental and ethical improvements.

## Working together, towards common aims

The size of our business means we purchase goods and services from a large number of suppliers, who have their own sustainability standards and ambitions.

We are committed to working with our suppliers to ensure that we enable a supply chain that is not only sustainable but has a long-term positive impact on the global community as a whole.

To support us in this ambition, below are just some examples of our Sourcing and Supplier Management processes which underpin the requirements set out in the Charter:

- Our supplier tender process includes specific questions about our expectations in this area.
- Key requirements of the Charter are a contractual obligation with our suppliers.
- We expect our suppliers to implement the standards of the Charter with their own suppliers.

- The Charter is a standing agenda point of supplier review meetings conducted as part of ongoing contract management.
- Supply Chain Managers are trained internally in key ESG topics, such as Sustainable Procurement to equip them with the knowledge and skills to drive forward supplier discussions and activity.

 [Read more: The NatWest Group Supplier Charter](#)

## Supporting our suppliers through COVID-19

During 2020 and due to COVID-19, NatWest Group moved its suppliers on to immediate payment on receipt. As part of our sustainability agenda and to encourage our suppliers to progress towards our shared vision, we're now maintaining this payment model.

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“We are working with NatWest Group, helping them collaborate with suppliers on sustainability using a common platform, universal scorecard, benchmarks and performance improvement tools. By working as a network they can start to move the dial on sustainability.”

**Nicole Sherwin**  
EcoVadis

**ecovadis**



# A responsible approach to tax

**We are privileged to play a central role in the UK economy. That brings with it a deep responsibility to the communities we serve and to wider society. Our tax contributions are just one of the ways in which we achieve this.**

Our tax payments are used by governments to benefit wider society, for example, via investment in education, health services and infrastructure projects. During 2020 we paid a total of £1.14 billion of tax in the UK and during 2019 we paid £1.35 billion. We were ranked the 4th highest taxpayer in the PwC 2020 Total Tax Contribution Survey of The One Hundred Group, which referenced our tax payments made in 2019. The One Hundred Group represents members of the FTSE 100 along with several large private companies in the UK.

In addition to the taxes we pay, we also collect and administer taxes on behalf of governments, such as taxes on employee salaries. During 2020 we collected a total of £0.9 billion of tax on behalf of the UK Government, primarily in relation to employee PAYE and national insurance contributions.

As one of the largest banks in the UK, we have a responsibility to society to pay the right amount of tax in the jurisdictions in which we operate and follow the spirit as well as the letter of the law. These principles are central to our approach to tax and are underpinned by our Tax Strategy. We have put in place policies and processes to ensure that we fulfil our responsibilities.

We do not offer products to our customers that might assist them in avoiding tax. We also comply with global initiatives to improve tax transparency.

We have no appetite for knowingly facilitating tax evasion. Further details are available in the Financial Crime section of this supplement page 57.



**For more details on our approach to tax, read our detailed Tax Strategy.**

## What tax do we pay in the UK?

### Corporate tax and bank surcharge

We pay UK Corporation Tax on both our UK profits and our profits from overseas branches of our UK companies.

In 2020, the UK standard rate of corporation tax was 19%. In addition, an 8% corporation tax surcharge is applied to the UK banking sector and so our UK banking entities were subject to tax at a rate of 27% on their UK taxable profits during 2020.

In 2020, we paid £113 million in UK Corporation Tax including bank surcharge.

### Irrecoverable VAT

Broadly, VAT is charged on the goods and services that we buy from suppliers. Companies are able to recover this VAT by offsetting it against the VAT charged to customers on their own goods and services.

As a bank, the majority of the products and services we provide are free from VAT and so we are unable to fully recover the VAT we are charged by our suppliers. As a result, any VAT not recovered is a cost to the bank. Irrecoverable VAT amounted to £498 million in the UK during 2020.

## Bank levy

The UK Bank levy is calculated based on the value of liabilities and for 2020 was calculated with reference to NatWest Group plc's consolidated balance sheet. The levy rate in 2020 was 0.14% on short-term liabilities and 0.07% on long-term liabilities.

## Employer's National Insurance Contributions

In the UK we pay employer's National Insurance Contributions in respect of our employees. We had 41,185 full time equivalent employees (including temporary workers) in the UK at 31 December 2020 and our employer National Insurance contributions amounted to £269 million in the UK during 2020.

## Business rates and other taxes

We also pay other taxes in the UK such as business rates on our branch network.

## Global tax contribution and operations in low tax jurisdictions

Over recent years we have substantially reduced our operations overseas and have predominantly focused on our banking activities in the UK and Ireland, the latter via our regulated subsidiary Ulster Bank Ireland DAC. We also have a presence in Jersey, Guernsey, Isle of Man, Gibraltar and Luxembourg via RBS International. Both Ulster Bank Ireland DAC and RBS International are well established businesses, run through locally regulated subsidiaries. They offer a wide range of banking activities and are significant local employers. As noted in our Tax Strategy document, we do not use low tax jurisdictions with the main aim of reducing tax liabilities.

As a UK headquartered group, the UK controlled foreign companies rules subject the profits of subsidiaries in low tax jurisdictions to UK tax where they do not fall within the exemptions legislated by the UK Government.

Details of our subsidiaries and operations overseas are provided in our 2020 Annual Report and Accounts (refer to note 12 of parent company accounts beginning p333). We are continuing our efforts to simplify the legal entity structure and reduce the complexity of NatWest Group. This includes reducing our presence in low tax jurisdictions.



**More detail on our global corporate income tax payments and our Country by Country reports can be found here**

## Tax payments in 2020

The pie charts below show the different taxes we paid globally and in the UK in 2020 as well as the taxes paid analysed by geographical region.



**£1.36 billion of tax was paid by NatWest Group globally during 2020**

- 1.** Corporate income tax £214m
- 2.** Irrecoverable VAT / sales tax £531m
- 3.** Bank levies £203m
- 4.** Employer payroll taxes £315m
- 5.** Other taxes £93m



**£1.14 billion of tax was paid by NatWest Group in the UK during 2020**

- 1.** Corporate income tax £113m
- 2.** Irrecoverable VAT £498m
- 3.** Bank levy £177m
- 4.** Employer payroll taxes £269m
- 5.** Other taxes £87m



**Analysis of £1.36 billion of global tax paid during 2020 by geographical region**

- 1.** UK £1,144m
- 2.** EMEA £169m
- 3.** Asia-Pacific £37m
- 4.** Americas £6m

# Respecting human rights

**At NatWest Group, we understand that respecting human rights is the right thing to do. We are committed to our responsibilities to respect and uphold human rights across our business, supply chain and sphere of influence. We believe this approach underlines our desire to reduce any potential negative impacts that our activity has on society.**

Understanding the importance of human rights, our approach is guided by the United Nations (UN) Guiding Principles on Business and Human Rights and has been informed by:

- The Equator Principles;
- International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- OECD Guidelines for Multinational Enterprises;
- United Nations Global Compact;
- Universal Declaration of Human Rights;
- Women Empowerment Principles;
- Living Wage Foundation.

Through our efforts to respect human rights, we aim to support the UN Sustainable Development Goals (SDGs), a global agenda to end poverty, protect the planet and ensure prosperity for all.

NatWest Group engages on the responsibilities of businesses in respecting human rights. We are a member of the Thun Group, which discusses how the financial service sector can incorporate and embed the UN Guiding Principles on Business and Human Rights into due diligence processes. We also participate in several indices and benchmarks which help to inform our activity and identify opportunities to continually improve our approach.

In 2020, we published an updated Human Rights Statement and a new Supplier Charter. The Charter outlines both our commitments and expectations of suppliers in relation to human rights and modern slavery.

Our Human Rights Steering Group will have responsibility for developing a strategy to promote respect for human rights whilst also seeking to reduce potentially negative impacts that our activity may have on individuals and communities.

 [Read more: Our latest Human Rights Statement](#)

## Tackling modern slavery and human trafficking

We are committed to respecting and promoting human rights across our business and sphere of influence. The Modern Slavery Act 2015 (MSA) forms part of our approach to human rights. We supported the adoption of the MSA and are committed to working with others to make progress towards the delivery of Sustainable Development Goal 8.7 calling for effective measures to eradicate forced labour and end modern slavery and human trafficking (MSHT). We seek to tackle modern slavery and human trafficking through the continued implementation of policies covering our customers, colleagues and suppliers.

Our full approach is outlined in our fourth Modern Slavery and Human Trafficking Statement (full year 2019) which was published in June 2020.

 [Read more: Our Modern Slavery and Human Trafficking Statement](#)

We continue to engage with a range of stakeholders in relation to modern slavery and human trafficking including law enforcement agencies, think tanks, charities and Non-Governmental Organisations (NGOs) which helps us to grow our understanding of the issue. In 2020, we joined the UN Global Compact's UK Modern Slavery Working Group.

In 2020, our activity has focused on:

- continuing to address MSHT with suppliers.
- strengthening our activity to tackle MSHT as a financial crime.
- raising awareness of MSHT throughout NatWest Group.
- supporting survivors of MSHT.

We continued to raise awareness of MSHT across the group and on World Day Against Trafficking in Persons (30 July), we hosted a webinar with the TRIBE Freedom Foundation which highlighted the realities of modern

slavery, the impact on victims and examined the role that the financial services sector can play in tackling MSHT. The webinar followed a week-long colleague fundraising and fitness challenge, organised by TRIBE Freedom Foundation, which saw colleagues in NatWest Markets raise £14,000 to support frontline anti-slavery projects.

We supported a year-long research project, commissioned by the UK Independent Anti-Slavery Commissioner, in collaboration with Themis and the TRIBE Freedom Foundation, which explored the links between the financial service industry and MSHT. In addition to supporting the research, we worked with Themis and TRIBE to provide insight into how we seek to address MSHT and help inform best practice. The report was launched in January 2021 and can be accessed [here](#).

“Working across NatWest Group, we have seen fantastic initiatives being developed over the last 12 months to help disrupt suspicious activity, stamp out modern slavery and support the survivors as they rebuild their lives. NatWest Group's approach highlights the impact which can be achieved through a holistic approach to tackling modern slavery and recognises this as an issue which touches every team across the bank.”

**Laragh O'Malley**  
Grants and Community Manager  
TRIBE Freedom Foundation

# Supporting our customers

## Transformation and innovation

**In a changing world, we need to stay ahead when it comes to innovations that make our customers' lives easier, while keeping their information safe and secure. Technology is critical to ensuring we do this consistently and at scale. Below are a few highlights from 2020.**

### Faster, safer payments

At the end of August 2020, we launched a mobile cheque scan pilot service to a small set of business customers, enabling them to digitally scan and deposit cheques up to the value of £500. The pilot will be available to Business Banking customers until August 2021 and feedback will help us refine and roll out the service more widely.

A new debit card temporary lock and unlock tool is now available on our mobile banking app. Since launch, over 1.2 million customers have used this feature, more than 4.4 million times.

### Helping individuals plan ahead

In July 2020, we launched the Plan Ahead tool for Personal and Premier customers. The free online service helps customers get their affairs in order and makes sure that their loved ones aren't left with unexpected costs or surprises. It offers secure storage for important documents, end-of-life wishes, and details of their accounts, subscriptions and assets.

### Supporting customers and colleagues through COVID-19

In a rapid response to COVID-19, our Digital Servicing & Automation team successfully deployed a number of automated bots to process small business loans, overdrafts and capital repayment holidays. The bots helped to clear large backlogs of requests, easing the burden on small businesses, as well as our front-line colleagues.

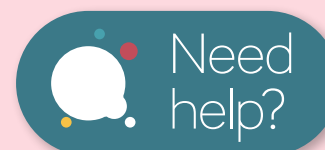
Likewise, our Technology teams helped approximately 50,000 NatWest Group colleagues to work from home across the UK and India, with all technology environments operating within capacity.

[Find out more about how we've supported colleagues with e-learning through coronavirus](#)

[Find out more about how our digital business services are supporting entrepreneurs through hard times](#)

### → Purpose in action

## Meet Cora



Our artificial intelligence webchat assistant, Cora, continues to learn and grow, using intelligent automation to provide personalised and contextual support services to our customers 24/7, then seamlessly handing them over to human support when it matters.



## 1st

UK bank to provide Visa Debit card customers with the ability to turn contactless payments on and off, helping us to keep our customers' money safe and secure

## 1st

UK major bank to launch faster payments clearing application programming interface, allowing real time, 24/7 instantaneous payments for customers

## 1st

UK biometric payment fob piloted

## 37,000

Pieces of technology delivered to colleagues' homes



# Supporting our customers

## Information security and system availability

### Resilience and security


In a UK first, we introduced 'Intelligent Safe' in February 2020. Intelligent Safe gives our Commercial Banking customers the benefit of same day automated account crediting without having to deposit that day's takings in their local branch. This is an efficient, secure and cost-effective way for cash-reliant businesses to have quick access to that day's takings. The solution improves cash flow and allows customers to spend more time running their business.

Each year we make improvements to the resilience and availability of our services. In 2020, we have seen consistency in the high performance and stability of our most critical systems, which have been available 99.98% of the time, whilst our Criticality 1 incidents<sup>(1)</sup> have further reduced to 8 in 2020. This is a 43% reduction in incidents compared to 2019.

Operational Resilience is our ability to prevent, detect, respond to, recover from and learn from operational disruption. Through strong control frameworks and appropriate investment, we seek to minimise operational vulnerabilities, but we also recognise that some degree of failure is inevitable and when it occurs, maintaining customer service is a priority. In support of this, we have resilience policies (IT and Business) and well established processes in place to minimise the potential for IT system interruptions. These include business continuity plans and incident response procedures, all of which we test on a regular basis to reduce risk.

NatWest Group has a comprehensive set of layered security defences. These use a range of technologies, including the latest in machine learning, to ensure they can defend against the attacks the Group sees. To ensure we continue to defend against new and emerging threats, there is a series of funded programmes that, informed by an active intelligence team, continually develop and improve the deployed defences. These defences are regularly tested by both our in house security testing team and some of the leading experts in the cyber security industry.

The Board and executive management are engaged in our security strategy and review process. The accountable executive for information and cyber security is the Group's Chief Administrative Officer. The Group's Chief Information Security Officer presents an information and cyber security update to the Executive Risk Committee and Group Board Risk Committee annually as a minimum.

 [Find out how we're protecting our customers from fraud](#)

### Colleague and supplier training

In addition to providing a resilient service, we are committed to being safe and secure for our customers. We do this by continually educating our colleagues on security, cyber and fraud prevention in order to advise customers and keep them safe. We delivered 273 security awareness seminars and events for around 11,000 customers, colleagues and industry peers in 2020.

A Security Policy is available internally to all colleagues. Information and cyber security risks (such as phishing) are referenced in our internal e-learning system and Group Policy Learning modules that every colleague and contractor must complete annually. Advice is available to all colleagues via the intranet Security Portal. In addition, colleagues receive job-specific training. For instance, security personnel attend courses with the Centre for the Protection of National Infrastructure and the National Cyber Security Centre, and have opportunities to gain professional qualifications.

Escalation procedures, guidance and contact details are readily available to all colleagues via the intranet for specific information security related events. We also operate a Group-wide Security Response & Recovery Hotline for information security events. All colleagues can use this service to escalate suspicions. NatWest Group also has a Group-wide Alertline service that colleagues can use in relation to suspicions of physical security threats. The Alertline phone number is detailed on the reverse of employee security passes for convenience.

## 99.98%

Our most critical systems have been available 99.98% of the time

## 43%

reduction in incidents compared to 2019

## 273

We delivered 273 security awareness seminars and events to around 11,000 customers, colleagues and industry peers

Note: (1) Criticality 1 incident is our most severe, typically causing detrimental impact to our customers, operations or colleagues.

# Supporting our customers

## Addressing the barriers to financial health

**In order to help all our customers to thrive, it's important that we support them by removing any barriers to financial health. This includes access to finance, preventing financial difficulties, and staying ahead of the threats posed by frauds and scams.**

### Keeping money safe and secure

Our fundamental purpose is to keep our customers' money safe and secure. Some of the initiatives we backed to ensure we remain ahead of the threats of frauds and scams are:

**Confirmation of Payee:** we implemented this new method of checking both payment beneficiary names and the type of destination account, giving customers greater confidence around who they're paying, and helping prevent misdirected payments.

**Contingent Reimbursement Model:** is a voluntary industry code that sets out the circumstances under which personal and microenterprise customers will be reimbursed if they've been tricked into making a payment they believe to be legitimate (known as an Authorised Push Payment scam). We're one of nine banks who are signed up to the code, and since implementing it, have seen reimbursement rates increase.

Furthermore, our Scams Education and Awareness Committee allows us to strengthen standalone fraud communications for colleagues and customers.

**Multi-factor authentication:** in 2020, we introduced multi-factor authentication for e-commerce payments. This means customers may be asked to provide face ID, touch ID or passcode in the mobile app when shopping online with their card, offering a more secure method of confirming their identity. This

change paves the way for the bank to transition away from the card reader solution that we currently offer our Digital Banking customers.

**Free security software:** we're providing our customers with Malwarebytes Premium security software solution, free of charge until mid-2022. The software, taken up by over 145,000 users to date, can be used on Android and iOS devices and provides anti-malware capabilities, as well as protection against phishing, robo-calls, known scammers and malicious text filtering.

**Improved Transaction Monitoring:** we've worked with **Featurespace** to implement a new method to monitor payments and account activity in order to prevent fraud and scams. It uses advanced behavioural analytics to catch new fraud attacks, and provides the bank with the means to transition to the use of a machine learning model.

### Accessible banking

We continue to invest in a range of ways to make banking more accessible. We recognise that not all customers' needs are the same and our customers can choose from digital, face-to-face and remote options.

We have more than 800 branches and 16,000 physical points of presence, including our ATM network and our relationship with the Post Office. These remain an important part of how we deliver services to our customers.

Customers can do more than ever via our mobile app, including opening an account, checking their credit score and applying for a mortgage. Our app is compatible with both Apple and Android in supporting accessibility features such as inverting colours and magnifiers, as well as biometric log-ins.

We're the only UK bank to offer customers the ability to lock their debit card on the app and still get cash from an ATM using our 'Get Cash' service; and we have introduced the ability for customers to lock/unlock their card for six different payment channels so they have even more control over their card spend. Cora, our artificial intelligent digital assistant, can support customers via the 'message us' feature in the app. And if Cora can't help, with Tap to Call, our Contact Centre colleagues are just a click away.

Our Video Banking service supports customers when they want the reassurance of a face-to-face conversation; speaking to our highly trained colleagues from the comfort of their own home. And we offer customers who require additional support several accessibility services free of charge, such as our Sign Video service and Big Word translation service. Our Relay UK service supports customers with hearing impairments, while accessible card readers, rubber signature stamps and talking ATM service are also available to increase the accessibility of our banking offer.

We also provide a free personal basic current account to anyone who does not already have a bank account or does not qualify for one of our other accounts. The account has no monthly fee and provides a debit card, access to digital banking services and everyday support such as text alerts to help customers manage their money. We work with organisations to remove barriers to accessing bank accounts such as HM Prisons for those leaving prison. We know access to a bank account allows consumers to benefit from savings on bills paid by direct debit and access to cheaper goods and services on the internet. As of end 2020 we had over 600,000 free basic current accounts.

## 78%

of our active personal current account customers are digitally active, using either mobile or online channels(\*)

## 9.4m

We have 9.4 million active digital users. We're constantly improving our award-winning mobile app, which is now regularly used by more than 7.7 million customers

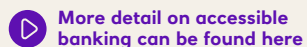
## 9,000

Video banking interactions per week by the end of 2020 compared with less than 100 at the start of the year

# Supporting our customers

## Addressing the barriers to financial health continued

We offer a free Community bank account to not for profit organisations with a turnover less than £100,000. Charities, club and society customers are enabled with digital solutions and banking tools that meet their needs. Customers can access our free accounting software FreeAgent and Bankline for Communities – a new digital offering designed to help not for profit organisations make payments digitally where two signatures are required to authorise.



More detail on accessible banking can be found here

### Supporting customers in vulnerable situations

At any time, a customer may find themselves in a vulnerable situation, or caring for a loved one experiencing a vulnerability; this could be due to a significant event, loss of income, illness or other life challenges. In 2020, the impact of COVID-19 has meant that more customers have experienced vulnerability or required support from us to meet their banking needs.

In 2020, we launched our new Banking My Way service. Designed alongside customers with additional needs and the Business Disability Forum, the service allows customers with a disability or vulnerability to tell us about their circumstances and the support they'd like from us so we can tailor our approach to meet their needs. This information connects to teams across the bank so that we can provide the right support to each customer and means a customer need only tell us what help they need once.

Supporting customers in vulnerable situations is extremely important to us and we continue to invest in training and enhancements to ensure our colleagues provide tailored, thoughtful service. In 2020, we continued to work with organisations such as **GamCare**, Back Up and the Money Advice Trust to improve the support available to vulnerable customers, connecting them to expert advice where appropriate. We continued to run digital lessons and Friends Against Scams workshops remotely and significantly expanded our successful referral programme with **Citizens Advice** and Citizens Advice Scotland, connecting customers to their advisers where we identify additional advice or vulnerability needs.

Building on our work with the domestic abuse charity **SafeLives**, we donated £1 million to establish a new fund for people affected by financial and domestic abuse. The fund provides small grants to help survivors and their families to regain financial confidence and control.

COVID-19 changed the way many customers could bank with us, with customers staying at home during lockdowns. Front-line colleagues made almost 480,000 proactive care calls, predominantly to older and more vulnerable customers shielding at home in order to ensure they were able to continue to bank safely from home. We set up a new dedicated telephone line for over 70s (later extended to over 60s) and those shielding at home without internet access, as well as a separate 24 hour line for NHS and Care workers. Through the line we provided vital payment solutions, such as cash deliveries through the post, cash codes for use at ATMs by carers or trusted

individuals, and a **Companion Card** for our most vulnerable customers. The card enables trusted friends, family or carers to shop up to £100 for them, using a PIN, while protecting their account details.

For customers who wanted to or were able to continue to bank locally, we provided a range of local solutions, including Community Banker support and Post Office banking. On average 95% of our branch network remained open throughout the pandemic, continuing to meet customer needs.

For those customers who found themselves financially vulnerable, we introduced **payment holidays** and made it easier for customers to seek support via our websites in 2020. This includes the ability to self-refer for free confidential debt advice with PayPlan.



For more detail on how we support customers in vulnerable situations

## £1m

fund launched with the charity SafeLives for those affected by economic and domestic abuse

## c.480,000

proactive care calls made to predominantly older and vulnerable customers to check on their welfare

## 95%

on average 95% of our branch network remained open throughout the pandemic in 2020

# Supporting our customers

## Meeting our customers' needs

### Product governance

Creating and distributing products to our customers is at the heart of what we do. Our End to End product lifecycle process is designed to keep our customers and the bank safe whilst delivering a financial return by meeting customer needs. As mentioned, we use four tools to guide our thinking and decision-making: the YES check, Our Code, the Critical People Capabilities and our internal policies. Among our key policy documents are the Product Lifecycle Policy, the Client Assets & Money Policy and the Complaints Management Policy, as well as policies relating to Customers in Vulnerable Situations, Cross-Border activities and Market Abuse.

In particular, the Product Lifecycle Policy assists us in delivering safe and sustainable products and services, growth, customer retention and satisfaction. All our products and services are in scope of this Policy regardless of their risk profile, channel or whether they are pilots, minimum viable propositions, prototypes or proof of concepts. Our product lifecycle governance relates to the process of managing a product from creation through development/product design, distribution, ongoing management, and eventual retirement and disposal in a way that ensures our customers receive products that are appropriate for their immediate and future financial goals.

### How we manage compliance

The Product Lifecycle Policy applies to all legal entities, franchises and functions, and to all employees, agency staff, contractors, consultants ("staff") involved in the product lifecycle. All staff involved in the product lifecycle are required to be aware of the Policy, understand their responsibilities, undertake

relevant training at least annually and be competent to perform their role. Our remuneration plans and incentive packages for staff promote and encourage fair customer outcomes throughout the product lifecycle.

We operate a range of controls to ensure our business is conducted in accordance with legal and regulatory requirements, as well as delivering good customer outcomes. The Policy articulates the requirement for managerial responsibility for product offering (Accountable Executives/Material Risk Takers under the Senior Managers Regime) across NatWest Group.

Throughout the product lifecycle, across all NatWest Group we must meet the needs of customers (including new-to-bank and existing) who are in a vulnerable situation or who could be in a vulnerable situation in the future and must be able to evidence how we comply with the Customers In Vulnerable Situations Policy.

We must also comply with all local legal and regulatory requirements where these go further than the minimum standards set out in this Policy.

There are three key phases of the Product Lifecycle Policy:

#### 1. Product and Service Development

In this phase we aim to ensure that the proposals are designed to deliver fair customer outcomes, which involves consideration of a number of factors. These include ensuring that the target market is identified and aligned to a specific product strategy; the proposal meets the needs of customers in the target market; the distribution strategy works for the identified target market; the proposal is designed to benefit the customer; that



customers in the target market will be able to understand the product or service and its features; and that consideration is given to the voice of the customer.

The proposal goes through test and risk assessment to ensure it works as expected including:

- undertaking customer research/testing/modelling;
- undertaking a scenario analysis to assess the proposal, including under negative conditions;
- completing the relevant risk assessment process and challenging, debating and reviewing this with the relevant specialist risk areas; and

- development of a suite of Management Information to enable ongoing assessment of whether the product/service is performing in line with expectations and delivering fair outcomes for customers. In terms of governance a new product or service requires an approval to launch from a senior governance forum, having gone through a review and challenge process.

### Fair pricing

Our pricing standards commit to ensuring that customers are paying a fair price for the products and services they are receiving and an ongoing review of the suitability of these products is conducted through product strategy reviews. We have an established Pricing Standards framework, which focuses



# Supporting our customers

## Meeting our customers' needs continued

on our commitment to treating customers fairly and that our pricing practices do not cause poor customer outcomes.

### 2. Product and Service Distribution

Important aspects in this phase are to:

- identify all activity that constitutes a financial promotion, where we are inviting customers to do business with us.
- ensure all financial promotions comply with our Financial Promotions Guides, based on regulation set out by the Financial Conduct Authority (FCA) (or local equivalent).
- have controls in place to ensure that any direct marketing and the use of cookies complies with our data protection obligations, including that we respect a customer's marketing preferences.
- ensure that the sale of products and services and the provision of advice (if applicable) to customers is undertaken fairly and meets the standards of suitability (where applicable) and appropriateness. Also, that we inform and educate our consumers throughout the customer sales journey and is also relayed in written format, about all aspects of a product including advantages and disadvantages in a clear, fair and not misleading way.
- have in place an appropriate training and competence framework to ensure that all sales staff competence and capability is monitored.

All financial promotions are approved by the Financial Promotions Approval team, with separate teams providing oversight and assurance to ensure that all standards are being met and regulations satisfied. Financial promotions are reviewed at least annually to ensure compliance continues to be met.

### 3. Ongoing Management

We have a complementary process that reviews the existing portfolio of products and services. These reviews consider a range of relevant information about the performance and operation of the product or service, such as volumes, risk events, customer feedback, complaints and account closures.

Our key aim is to ensure we:

- treat customers fairly post point of sale and continue to provide suitable and/or appropriate advice.
- remove barriers to switching products and services – where the barrier is not in the best interests of the customer and/or it impacts the delivery of fair customer outcomes.

### Addressing complaints

We ask our colleagues to welcome any complaints, take ownership of them and provide the fix for the customer as quickly as possible. Where the issue is more complex, one of our complaint handling experts steps in, to track and resolve the complaint.

A key priority for the business is to reduce complaints by addressing the underlying causes to prevent other customers having the same issue. In 2020, we received 303,129 reportable complaints compared to 759,728 in 2019. The decrease in the year was mainly due to fewer customers referring PPI complaints.



[Read more: Our complaints data](#)



# 303,129

We received 303,129 reportable complaints in 2020 compared to 759,728 in 2019

# Supporting our customers

## Protecting privacy and customer confidentiality

**Our customers place their trust in us – not only with their finances, but also with their personal information and data. To this end, accountability for privacy and data protection ultimately lies with the Board, with a Group Data Protection Officer overseeing awareness, training and reporting to the UK Information Commissioner's Office, supported by additional country Data Protection Officers. We see privacy as a vital component to achieving our purpose to champion potential, helping people, families and businesses to thrive.**

Whilst we have a central privacy team to oversee privacy compliance we also ensure that we have privacy embedded across all parts of our business. Therefore all business areas have an Accountable Executive responsible for privacy compliance in their business, who are supported by local privacy teams who are subject matter experts.

### Privacy and Client Confidentiality Policy and Reporting

Our Privacy and Client Confidentiality Policy is wider than covering privacy alone. The policy covers both data protection and client confidentiality, therefore all our customers, employees and third parties who we interact with can be confident that we have protection of their data at heart because they are protected regardless of their formation; whether they are individuals, sole traders, partnerships or incorporated companies. The policy has a defined escalation process for privacy and client confidentiality issues. The policy sets out how we manage privacy and client confidentiality breaches and personal data breaches and specifies that anyone breaching the policy can be subject to disciplinary action.

NatWest Group provides updates to senior management on privacy and client confidentiality, including at Board level and in particular to the Group Board Risk Committee. Updates and reminders are also provided through internal communications. This ensures that privacy is at the forefront of all of our colleagues' minds, and that there is appropriate visibility across the bank at all levels from senior executives right through to branch colleagues.

### Transparency

NatWest Group has adopted a layered and accessible approach to providing privacy information, as recommended by the UK Information Commissioner. We present an overview of our approach to data protection and privacy on our website; any visitor to our digital platforms can select to proceed to a page containing more detailed information. We ensure that our privacy information pages are constantly reviewed to ensure they are up to date and accessible to our customers and visitors to our various digital platforms. We are striving to improve the way in which customers can provide their marketing preferences to ensure they receive marketing information in line with their wishes.

### Data transfers and collaboration

We're continually refining our systems to comply with the General Data Protection Regulation (GDPR), the UK Data Protection Act and other local legislation. We factored in the impact of Brexit and UK & European case law on our privacy obligations and cross-border data flows. In addition to this, we have a close relationship with regulators and industry bodies as appropriate. Our privacy teams are in regular contact with other internal teams to assist with initiatives to support victims of financial crime.

### Privacy and client confidentiality training

All colleagues and contractors are required to undertake annual mandatory privacy and client confidentiality training. Each year, we also engage with our suppliers to understand the privacy governance arrangements they have in place, including policy, mandatory procedures and training and awareness, and we review the responses to ensure that satisfactory controls are in place.

Training topics include:

- What the bank's privacy and client confidentiality obligations are.
- Privacy considerations for new projects, systems and so on.
- How colleagues should recognise and respond to requests from individuals to exercise their data rights.
- What to do in the event of a breach.

The training module is updated annually, with new topics and learnings from the previous year. Job specific training is provided as necessary for colleagues based upon their job roles. The bank uses internal checklists intended to guide the best decision-making, and the safe use, storage and sharing of information, which include the YES Check and Info SAFE checklists.

### Artificial Intelligence

Info SAFE is used to support our Artificial Intelligence and Machine Learning strategy via Fairness Assessments of models, in addition to the checklist questions below which are relevant for all colleagues across the bank when they deal with customers' or colleagues' data. The Info SAFE checklist asks the following questions:

**Secure:** Are you confident that the bank and its suppliers are meeting the required policies and standards for protecting our customers' and colleagues' information?

**Accountable:** Am I confident that I understand my responsibilities when using customers' and colleagues' information to make decisions?

**Fair:** Are decisions made using customers' and colleagues' information, accurate, just and reasonable, including those decisions made using Artificial Intelligence?

**Ethical:** Are decisions made using customers' and colleagues' information reflective of our core values, inclusion and pro-diversity?

### Privacy by Design and Default

New data driven innovation brings new opportunities to build systems using fundamental privacy principles such as Privacy by Design and Default. The privacy teams work closely together to ensure fundamental privacy concepts are implemented and to ensure consistency across the bank. The teams work hard on Privacy Impact Assessments to ensure that privacy risks are identified and minimised early.

### Regulator communications and data subject rights

NatWest Group has specialist teams who respond to queries relating to data subject rights. Data subject access requests have remained relatively steady following the GDPR rules that came into force in May 2018, with a low volume of other data subject requests concerning, for example, objection to processing, erasure and data portability. The number of information requests relating to Payment Protection Insurance reduced significantly in 2020, following the deadline of August 2019.

# Supporting our communities

## Colleague giving

**A thriving economy depends on thriving communities. As a leading bank with a major influence in society, we believe we can make a real difference to people's lives. We're committed to supporting and giving back to the communities we operate in.**

Our direct community investment in 2020 amounted to £11,078,270<sup>(\*)</sup> compared to £9,009,092 in 2019 as measured using the Business for Societal Impact benchmarking standard. This includes the funding we make available to support colleague giving and the direct costs of delivering our community programmes.

Our **Do Good Feel Good** campaign gives our colleagues opportunities to support the good causes they care about. This includes offering all colleagues three days of volunteering leave each year. Along with fundraising activities, we encourage colleagues to give directly to charity through Payroll Giving and, new in 2020, we launched our Pennies from Heaven scheme that takes pennies from colleagues' salaries and donates them to charities.

Despite the COVID-19 related challenges during 2020, which led to many of our planned activities and programmes being curtailed, colleagues have given £3.2 million and 13,599 worktime volunteering hours to support charities and good causes. An employee led team had the vision to transform our Gogarburn Conference Centre into a charity distribution hub, and working with Social Bite, FareShare, Cyrenians and Trussell Trust have supported some of those most vulnerable during the pandemic.

[Find out more about our approach to giving](#)

We are working closely with our partners to explore how and when we may be able to reopen our programmes in 2021. We are particularly excited about our plans with The Conservation Volunteers (TCV); together we have already planted more than 30,000 trees at Parsloes Park in Dagenham, including 10,000 trees planted on behalf of Coutts customers who signed up to receive paperless statements, and we have plans to plant 100,000 more trees in 2021 across the UK.

## Over £11m

Our direct community investment in 2020 amounted to £11,078,270<sup>(\*)</sup> as measured using the Business for Societal Impact benchmarking standard

## £3.2m

Colleagues gave £3.2 million and volunteered 13,599 worktime volunteering hours to support charities and good causes

## 30,000

Working with TCV we have planted over 30,000 trees at the Parsloes Park "tiny forest" in Dagenham





## Supporting our communities continued

### Our independent charitable foundations

The bank has three independent, well-established charities, which support specific activities in line with the bank's purpose.

The **NatWest India Foundation**<sup>(1)</sup> was launched in 2007 with projects that provide sustainable livelihoods, support restoration of degraded forests, and strengthen governance of the relationship between communities and ecosystems. This activity flows from our three purpose focus areas and directly contributes to seven of the Sustainable Development Goals.

The mission of the **Coutts Foundation**<sup>(2)</sup> is to support sustainable approaches to tackle the causes and consequences of poverty, focusing on the communities where Coutts has a presence. This mission builds on the legacy of Angela Burdett-Coutts, the grand-daughter of Thomas Coutts, a progressive 19th century philanthropist concerned with breaking cycles of poverty and providing basic human needs. The core focus of the Foundation is supporting women and girls.



[Read more on the Coutts Foundation](#)

**NatWest Social & Community Capital**<sup>(3)</sup> is an independent charity supported by NatWest in order to help social enterprises and community businesses. Established in 1999 with a mission to enable social enterprises, charities and community businesses to make a positive impact in communities across the UK, S&CC awarded 20th anniversary grants in early 2020 and, more recently, specific coronavirus support grants.



[Read more on NatWest Social & Community Capital](#)



NatWest Group continues to hold a £50 million equity investment in Big Society Capital. Through a network of fund managers, over a thousand charities and social enterprises have received Big Society Capital funding to deliver impactful programmes in some of the most deprived areas of the UK.



### Purpose in action

## Making it easy for customers to give

As well as encouraging our colleagues to support charities, we're always looking for new ways to make it even easier for customers to give to good causes. Through our Reward Accounts, customers can donate their Rewards to eleven different charities: the Alzheimer's Society, Barnardo's, British Heart Foundation, Cancer Research UK, Macmillan, NSPCC, The Prince's Trust, RNIB, The Disasters Emergency Committee, Sport Relief and The National Emergencies Trust. In 2020, customers donated £2,116,629 through Reward Accounts. We remain the only bank to offer ATM charitable giving to any customer with a LINK ATM card. A total of 26 charities benefit from this scheme, including RNIB, Oxfam, RSPCA and Cancer Research UK. In 2020, £98,508 was donated through the scheme.

In May 2020, we introduced a simple charity donation function to our mobile banking app for customers. Since its launch customers have donated over £1 million for The Disasters Emergency Committee and The National Emergencies Trust.

Coutts can trace its history of charitable giving back over 300 years. Angela Burdett-Coutts, a key figure from Coutts' past, was one of the most renowned and pioneering philanthropists of all time. Coutts was the first private bank in the UK to establish a dedicated philanthropy team, and have been helping clients make sure their giving is effective and rewarding ever since. Coutts' award-winning specialists help clients turn their good intentions into tangible benefits for the causes they care about in the most effective way.

We also promote charity appeals to customers as part of our aim to help them make informed decisions about their spending. For instance, we are a founding partner of Giving Tuesday UK, an international social media campaign held on the Tuesday after Black Friday and Cyber Monday. The campaign aims to encourage individuals, businesses and charities to promote giving on this one day. For Giving Tuesday 2020, we donated £350,000 to the good causes that our colleagues and customers support.





## Supporting our communities continued

### → Purpose in action

## Backing the National Emergency Trust's Coronavirus Appeal

In November 2019, we proactively approached the National Emergencies Trust (NET) to offer our support in the face of the next national emergency. This was an opportunity for us to build on our track record of fundraising and support for The Disasters Emergency Committee, but with a focus much closer to home. However, neither organisation could have foreseen that the next emergency – the COVID-19 pandemic – would arise just months later or that it would be of a shape and scale that we could never have fully prepared for.

But in the face of an unprecedented crisis, NatWest Group and NET built an unprecedented relationship, at breakneck speed, to raise £10 million in four months for the Coronavirus Appeal. By matching customer and colleague donations pound for pound, up to £5 million, we enabled more than 10,000 grassroots charities to support people in urgent need all over the UK.

Our support of NET was led by teams across the Group and included:

- making it easy for customers to donate to NET using our mobile banking app, the first time customers could make a charity donation in this way.
- customers donating their Rewards points resulting in £3.8 million in donations and matching.

- NatWest Group matching donations during Final Replay '66', a unique Channel 4 re-showing of the 1966 England v. Germany World Cup final.
- a television advert detailing our support for NET, with a text to donate option.
- digital banners on our web pages, and giving prompts in our online and mobile banking apps.
- Coutts clients taking part in a silent auction and donating their Thank You From Coutts rewards.
- colleague fundraising efforts and donations through payroll giving and Pennies from Heaven.

The funds were distributed quickly by NET to those most vulnerable in society: emergency shelter for those with sudden, changed circumstances; meal deliveries and food parcels for the shielding and vulnerable; digital wellbeing support for the isolated and anxious; and counselling for the bereaved. In short, the relationship enabled small charities and community groups to provide for the most at-risk in their local communities during the pandemic.

We are delighted that NatWest Group has now been confirmed as an official patron of NET.

 [Find out more about our approach to giving](#)

“This incredible support from NatWest Group not only takes our funds donated and pledged up to nearly £100 million, but importantly, will enable us to continue to respond to the urgent needs on the ground, whatever shape those might take. On behalf of the National Emergencies Trust, I'd like to extend my sincere thanks to all the customers and colleagues that have made this possible.”

**Lord Richard Dannatt**

Chairman of the National Emergencies Trust



# Supporting our colleagues

## Building a healthy culture

**As a large responsible employer with a workforce of 59,900<sup>(1)</sup>, we want to be a great place to work for colleagues and we're committed to providing four key things: fulfilling jobs, excellent development, fair rewards and great leadership, underpinned by a healthy and inclusive workplace.**

When people feel valued, evidence shows that they feel connected to the organisation's purpose and they perform at their best every day. Championing potential is about fostering an inclusive and rewarding working culture where everyone can bring the best of themselves to work, knowing they'll be valued and cared for, whoever they are.

We have clear goals which reinforce Our Values and form part of our leadership team's objectives. We gather feedback from our colleagues through our listening strategy, which includes our colleague opinion survey (Our View), a Colleague Advisory Panel that connects colleagues directly with our Board and 'Workplace', our social media platform. We also track metrics and key performance indicators, and feedback from regulators and industry bodies, including the Banking Standards Board's annual assessment of culture in the UK banking sector. After three years of strong and broadly based increases in scores at NatWest Group, the pace of improvement eased back in 2020 across most characteristics of the Banking Standards Board's Assessment Framework to leave scores stable to slightly higher.

**Our View is our bank-wide colleague opinion survey which gives colleagues the chance to tell us what they think about working here and how it feels in their part of the bank. The responses help us understand how colleagues feel and their feedback helps us to identify, understand and make improvements in the bank.**

Just under 50,000 (78%) of our colleagues completed our most recent opinion survey in September. The results showed a further improvement in colleague sentiment and NatWest Group is now at or above the global financial services norm (GFSN) and global high performing norm (GHPN) across all comparable survey categories. This is our strongest position to date and reflects our purpose and values coming to life in our response to the pandemic. We deepened our dialogue with colleagues in 2020, running COVID-19 pulse surveys in May and July as well as increasing our dialogue with colleagues relating to equality and inclusion through our 'Supporting Black, Asian and Minority Ethnic' survey run in June.

Having ongoing discussion and engagement with our employee representatives such as trade unions, elected employee bodies and works councils is vital. We regularly discuss developments and updates on the progress of strategic priorities. We are committed to respecting our employees' right of freedom of association across all our businesses. Approximately 77% of our employees are covered by a collective agreement and/or employee representative arrangements.

In addition, through our Colleague Advisory Panel (CAP) established in 2018, our colleagues can engage directly with senior management and the Board on topics which are important to them, thereby strengthening the voice of colleagues in the Boardroom. The CAP, consisting of 26 colleagues, met with representatives from the Board four times in 2020 to discuss issues such as COVID-19 support for colleagues and customers, remuneration including executives and the wider workforce, as well as inclusion, innovation and purpose. The CAP continues to be highly regarded by those who attend and has proven to be an effective way of establishing two-way dialogue between colleagues and Board members.

### → Purpose in action

## Investing in colleagues

At the start of 2020, we launched our People Pledge – a set of commitments made in response to what colleagues told us meant most to them. The pledge was split into five promises:

- Help you develop your skills,
- Support your wellbeing – a healthy and inclusive workplace,
- Help customers thrive,
- Invest in our teams and
- Help you make a difference.

Despite the challenges of 2020, we delivered against each of the promises, in many cases accelerating planned work, to provide a purpose-led response for colleagues.



# Supporting our colleagues

## Diversity and Inclusion

**A diverse and inclusive workforce is a fundamental part of building the purpose-led bank we want to be.**

As an organisation, we should represent the customers and communities we serve. Diverse organisations with engaged colleagues can better connect with their diverse customer base and give those customers the products and services they need.

During the past five years we have made good progress by delivering against our inclusion goals to become: gender balanced, disability smart, ethnically diverse, LGBT+ innovative and an inclusive workplace. We've seen a 10% increase in the proportion of women in our most senior roles (globally) since our targets were introduced in 2015, and a 2% increase in the number of Black, Asian and Minority Ethnic colleagues in our UK top four leadership layers since our ethnicity targets were introduced in 2018. We've improved colleague and customer experiences, including Banking My Way; the removal of historical binary classifications and maintained or improved our performance in our external benchmarks. Progress aside, the bar is rising and with it expectations from colleagues, customers and investors as well as increased scrutiny from government and regulators, so this will continue to be a priority.

### Gender balanced

Our Boardroom Inclusion Policy aims to promote diversity and inclusion in the composition of the Board and reflects the most recent industry targets. The policy also acknowledges NatWest Group's ambition to aim for full gender balance. In our Executive Management team we have females in both our Chief Executive Officer and Chief Financial Officer roles, as well as our Chief Human Resources Officer, Chief Transformation Officer, Chief Marketing

Officer and Chief Governance Officer and Company Secretary.

Recognising that it is not just about boardroom diversity, in 2015 we set formal targets for our CEO and Executive Committee to have at least 30% (we chose 30% as this represents the tipping point for behavioural change) women in our global top three layers of each of their business areas, by the end of 2020. Each business area had a target, recognising that each part of the organisation needs to change. Furthermore, we are committed to being fully gender balanced by 2030.

As at the end of 2020, 14 of our 15 business areas have 30% or more women. Across the bank, 39%<sup>(\*)</sup> of the roles in our top three leadership layers are held by women – an increase of 10% since targets were introduced. More broadly, our top 4,000 roles globally have 43% women.

We know that workforce diversity is one of the most complex challenges we face, so we need to ensure our approach is fair, equitable and delivering impact. Therefore, to support our targets – sponsored at CEO level – we've implemented a positive action approach.

The approach is focused across all our colleague journeys (attract, develop, retain, reward, engage) and ensures that the appropriate accountabilities are in place across the bank. There is no single solution, therefore having a robust plan and measuring its impact is essential.

Our ambition was embedded into our business strategy from the offset. Importantly, our leaders are held to account with our diversity and inclusion goals forming part of our Executive Management Team's key performance measures.

We benchmark our plans annually with Bloomberg's Global Gender Equality Index, the

Times Top 50 Employers for Women and report our progress annually to HMT Women in Finance Charter and Hampton-Alexander Review.

### Ethnically diverse

Our Boardroom Inclusion Policy aims to promote diversity and inclusion in the composition of the Board and reflects the most recent industry targets. The policy also acknowledges NatWest Group's commitment to having a more ethnically diverse workforce. At the beginning of 2018, we agreed a target for our CEO and Executive Committee to have at least 14% Black, Asian and Minority Ethnic colleagues in our top four UK leadership layers by 2025. In addition to this, as Black colleagues are underrepresented in senior roles across the UK, in 2020 we introduced a new goal to have 3% Black colleagues in our UK senior roles by 2025. Individual business targets and plans are reviewed annually and accelerated to build traction.

As with our gender plans, our ambition was embedded into our business strategy from the outset. Importantly, our leaders are held to account linking to performance outcomes that drive leadership pay. For example, our inclusion goals – which include our ethnicity targets – are part of our Executive Management Team's key performance measures.

In our target population (UK top four leadership layers), 86%<sup>(\*)</sup> of our colleagues disclose their ethnicity (an 8% increase since we introduced targets at the beginning of 2018), of which 10% identify as Black, Asian or Minority Ethnic (a 2% increase over the same timeframe).

Overall in the UK, of those who disclose, 16% identify as Black, Asian or Minority Ethnic – slightly above ONS census UK's working age population who identify as Black, Asian or Minority Ethnic (14%).

## 90pts

Colleague sentiment on inclusivity is high at 90pts (17pts above GFSN and 13pts above GHPN)

## 94pts

The bank-wide response to the question 'The business supports diversity and inclusion in the workplace' has increased by 7pts since 2015 (sitting 11pts clear of GFSN and 8pts clear of GHPN)

## 10%

more women in our target population (CEO-3 and above Globally) since 2015

## 2%

increase of Black, Asian and Minority Ethnic colleagues in our target population (UK CEO-4 and above) since 2018

## 3%

In 2020, we introduced a new goal to have 3% Black colleagues in our UK senior roles by 2025

# Supporting our colleagues

## Diversity and Inclusion continued

Our plans are assessed annually as part of the Investing in Ethnicity and Race Maturity Matrix and we report our progress to the UK Government's Race at Work Charter, which we are founding signatories to. We have been confirmed as a Top Ten Outstanding Employer in the 2020 Investing in Ethnicity & Race Awards.

In June 2020, we established the Racial Equality Taskforce led by the Chairs of our Multi-Cultural Employee Led Network to help better understand what more we can do to break down barriers faced by many people, including those from Black, Asian and Minority Ethnic backgrounds. This culminated in the launch of our '**Banking on Racial Equality**' report accompanied by a set of targets and commitments, which will set the standard for racial equality in NatWest Group.

### Disability smart

We set ourselves a goal to become a disability smart bank by ensuring that accessibility features in our products, services, behaviours and key processes. Our plan is centred on the 10 segments of the Business Disability Forum standard: Commitment, Retention, Know How, Adjustment, Recruitment, Partners & Suppliers, Communication, Premises, Technology and Products & Services. Each segment focuses on fixing issues, ensuring we are compliant, future proofing, implementing a disability speed bump into key practices and processes, and innovating by creating new ways to support disabled colleagues and customers.

We've released a disability e-learning module for all colleagues which provides insight into disability, changing attitudes, communication and non-visible disabilities, and have also developed learning to support disabled colleagues.

Externally, we were rated Gold (scoring 95%) in the Business Disability Forum benchmark; we are ranked as a Leader level in the Government's Disability Confident Scheme and have signed up to the Valuable 500 (V500) Pledge.

### LGBT+ innovative

We are committed to delivering a better experience for our LGBT+ colleagues and customers through constantly challenging the status quo. We've standardised our colleague policies globally, placing us ahead of industry norms in some countries where we operate. We've worked to ensure our colleague journeys are fully LGBT+ inclusive, for example, our shared parental leave includes same sex couples and our absence and sick leave policy includes time off for colleagues who are transitioning. We updated our colleague identity pass process so that gender fluid colleagues may have a double-sided pass in order to present themselves in their masculine or feminine gender expression, and for colleagues that are transitioning, they can update their photo as many times as necessary.

We participated in the Government's consultation process on the reform of the Gender Recognition Act in 2018. Following the publication of the UK Government's proposal for changes, in 2020, we provided further input on behalf of NatWest Group to a follow-up inquiry by the Women and Equalities Committee to explore what more could be done to improve Transgender equality.

Externally we've been recognised as a Top Global Stonewall employer since the benchmark's inception and we're a Stonewall Global Founding Partner. We were also a Founding Partner of the 2020 LGBT Awards.

### Inclusive workplace

We are committed to building an inclusive workplace through behavioural change and maintaining our strong internal colleague sentiment.

More than 9 out of 10 colleagues feel they can be themselves at work without worrying how they will be accepted. We have placed a key focus on workplace behaviours to ensure we create a psychologically safe environment where colleagues can raise challenges confidently. And we are clear that this is about being proactive in taking positive steps (and indeed positive action) to challenge assumptions and enable diversity.

As a learning organisation we have multiple learning products – some of which are mandatory – to educate and raise awareness on topics such as diversity, inclusion, meritocracy, equity, equality, bias, power, privilege and microaggressions.

As part of our People Pledge, we launched Inclusion Champions in 2020. Consisting of over 1,100 members, the champions form a global network of positive disruptors, who educate colleagues on Inclusion, and will work together to drive change on ethnicity, LGBT+, gender balance, disability awareness and inclusivity.

We continue to demonstrate our social purpose, including being founding signatories to the EHRC's Working Forward, meeting the criteria for the London Mayor Good Work Standard accreditation, and ranking top 5 overall as well as in the top 5 for ethnicity, sexuality, socioeconomic status and parenthood in the McKenzie-Delis Packer Review.

## External endorsements





# Supporting our colleagues

## Diversity and Inclusion continued

### Employee Led Networks

Our Employee Led Networks (ELNs) have been a key factor in the diversity and inclusion progress made over the last five years.

The eight ELNs are the Gender Network, the Multicultural Network, Rainbow – our LGBT+ Network, Enable – our Disability Network, the Families & Carers Network, the Armed Forces Network, the Aspire Network and the Sustainable Futures Network.

With over 23,000 members and allies globally, our eight Group-wide ELNs support our commitment of creating a healthy, diverse and inclusive workplace for all colleagues. Sponsored overall by CEO Alison Rose, each ELN has an individual executive sponsor who provides ongoing direction, guidance, challenge and support. The ELN Chairs meet with our CEO on a quarterly basis and are invited to attend the Bank Executive Committee, on a rotational basis, to profile their work and provide oversight on their key initiatives. Run by volunteers, the ELNs do so much more than marking festivals and events, they challenge us to think about how we become more inclusive and accessible. And they're always looking for new active members to help them drive further change.

The ELNs welcome all colleagues regardless of lived experiences, background or socio-demographics. The ELNs bring together colleagues who have one thing in common – that they care about building an environment that's inclusive and encourages colleagues to bring the best of themselves to work.

In addition to supporting colleagues, running events, informing and educating, the combined expertise from the ELNs contributes to the development of inclusive products and services for customers and to the Group's

learning resources. In doing so they reflect the Group's purpose to champion potential, helping people, families and businesses to thrive.

### 2021 Priorities

With a solid platform to build on and a shared purpose that's uniting us and helping us to become more inclusive in all we do, our plans continue to evolve. We'll continue to focus on keeping the bank safe by meeting our statutory requirements and beyond, as well as fulfilling our regulatory and external reporting requirements. During 2021 our priorities will be to:

- Reinforce and augment our ethnicity and gender positive action plans to ensure we meet our longer term goals.
- Continue to shift mindsets and support behavioural change through learning and people process improvements.
- Explore how we support a multi-generational workforce, recognising the differences and needs.
- Raise awareness and educate through learning, celebrating key dates and targeted campaigns.
- Provide further development support for disabled colleagues and a shift to addressing more complex and specific areas, including neurodiversity.
- Understand what more we need to do to support our Bisexual and Transgender colleagues and customers.
- Address inequality and imbalance that the pandemic has on underrepresented groups, including families, carers and parents.
- Support our social purpose and continue to learn and leverage from others.

### → Purpose in action

## Our Positive Action Approach

We recognise that workforce diversity is one of the most complex challenges we face, so we need to ensure our approach is fair, equitable and delivering impact. Distinct from positive discrimination – which is unlawful – positive action refers to an approach that employers take to improve equality in the workplace and seeks to address imbalance of opportunity or disadvantage. Our positive action approach is sponsored at CEO level and is tailored by business area according to the specific challenges they face. For example, setting gender and ethnicity targets per business area is harder, but the right thing to do; holding senior leaders accountable means it's a shared accountability and doing it at business level means every part of our organisation is delivering against the need to change.

The approach looks at colleague journeys – how we attract, recruit, develop, retain, reward, engage our colleagues – and ensures appropriate accountabilities are in place across the bank.



Read more about Our Positive Action Approach



# Supporting our colleagues

## Wellbeing

### Live Well Being You

**A strong component of making NatWest Group a purpose-led organisation is an integrated and well established wellbeing strategy. Through our People Pledges we committed to support the wellbeing of our colleagues, customers and communities all of which was reinforced through our Group-wide People Strategy. Our work in wellbeing has been recognised externally, winning the Health and Wellbeing category at the HR Excellence Awards 2020.**

During 2020 we launched several campaigns covering topics as varied as menopause, reproductive health and male mental health, as well as wellbeing throughout the seasons as we approached winter for our colleagues in the northern hemisphere. We've continued to promote our established suite of wellbeing resources including our Employee Assistance Programme and we've seen an increase in the number of colleagues accessing the online support available to them. We also launched our Wellbeing Champion network which rapidly grew to over 1,000 colleagues who committed to providing wellbeing support to their teams, supported by enhanced learning and a deeper understanding of our wellbeing strategy. We continue to monitor the wellbeing of our colleagues through pulse surveys. The latest survey revealed that 90% of colleagues felt their line manager cared about their physical and mental health, while 45% felt COVID-19 impacted their mental health. Our annual internal wellbeing index showed that we are 3% above other high performing companies and 9% above high performing financial services companies.

### Safe and healthy workforce

In 2020, the number of Health & Safety related incidents and accidents has improved with 45% fewer accidents than 2019, with only a small headcount reduction – but with the caveat that our offices were not occupied for 75% of the year by 90% of colleagues. While many offices had lower occupancy from March to December, improvements were evident in January and February 2020. Despite remaining open, branches had fewer reportable incidents than 2019. In 2020, we had no reportable injuries to members of the public on bank premises even though we experienced increased demands at some of our locations.

 [Read our health and safety performance in detail here](#)

### → Purpose in action

## Our COVID-19 Wellbeing Plan

Understanding the needs of our colleagues and supporting their wellbeing both within and outside of work became a core priority in 2020 when coronavirus hit.

We flexed and evolved our original wellbeing plan and quickly built wellbeing and learning into our daily routines. Our 'Live Well Being You' COVID-19

Wellbeing Plan placed colleague wellbeing firmly at the centre of our incident response. It included a dedicated online hub, signposting to public health information, emotional wellbeing support, new physical health interventions, financial wellbeing guidance and support, community and volunteering opportunities, leadership support, and advice on managing bereavement and domestic abuse. In addition to this we provided access to practical tools such as a Virtual GP, accessible 24/7, a new emotional wellbeing support programme and a new mandatory online module to help colleagues understand and improve their resilience. Through our business-facing teams we also offered support to our SME and personal customers and continue to do so.

To help managers support their teams, we launched a new mandatory mental health online learning module exclusively for over 10,000 managers, supported by one-to-one coaching and webinars, and have since launched extended mental health training for all line managers which will continue through 2021.



# Supporting our colleagues

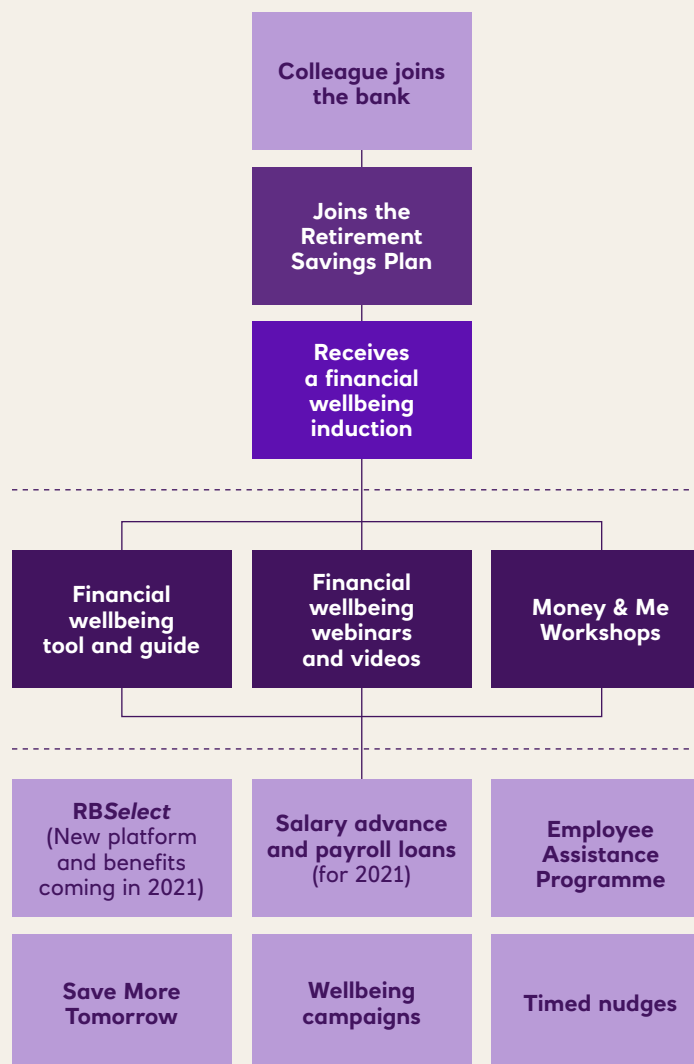
## Financial wellbeing

When colleagues first join us it's a great opportunity to demonstrate our commitment to their wellbeing. All our graduates and interns receive a financial wellbeing induction to help them understand how their pay works, how to read their payslip and the essentials of budgeting, debt management and saving for life after work. We'll be expanding this to all UK colleagues this year. All of our new starters are enrolled in our Retirement Savings Plan, with the minimum pension contribution of 8% fully met by the bank, and we encourage our colleagues to put away more money through 'Save More Tomorrow'.

Colleagues have access to a wide offering to help their financial wellbeing. They can access benefits through RBSelect, book in for a financial health check with one of our Personal Bankers, use our Employee Assistance Programme for counselling and support, and can view a wide range of webinars and videos as part of our wellbeing campaigns.

In response to the coronavirus lockdown restrictions introduced in the UK from March 2020, we took a number of steps to protect our colleagues' financial wellbeing. These included committing to protect pay for six months, regardless of any time off taken for illness, isolation or caring for dependants and children. We also committed to pay for any additional expenses incurred by travel to work, in the event that normal public transport is disrupted or unsafe, and extended our overtime policy to colleagues who were not normally eligible.

### Financial wellbeing offerings for our colleagues



### → Purpose in action

## Winners of the 2020 Reward & Employee Benefits Association Wellbeing Award

NatWest Group has been recognised with an award from the Reward and Employee Benefits Association for Best Approach to Long-term Financial Wellbeing through the launch of our Save More Tomorrow campaign. This lets our colleagues automatically increase their Retirement Savings Plan contributions in small but meaningful ways every April.

We've increased participation in our flagship UK Retirement Savings Plan to 80% and have put steps in place to increase this to 100%.

We're also rolling out Tumelo, after piloting in 2020, partnering with Legal & General. It demonstrates purpose in our approach to pensions by allowing colleagues to:

- Find out which companies their pension savings are invested in.
- Let Legal & General know which matters are important to them and how they'd vote.
- Use their voice to influence the way companies are run.

**tumelo**

# Supporting our colleagues

## Fair and transparent reward

We're committed to helping our colleagues perform at their best every day. In return, we promise to pay competitively and transparently. For full details about our remuneration policies and colleague share plans, as well as the latest gender and ethnicity pay gap reporting, read our 2020 Annual Report and Accounts.

All colleagues have goals across a balanced scorecard that clearly shows how their contribution links to our overall purpose. Goals are set at the start of the year and revised as needed, with progress, development and feedback discussed in one-to-one conversations and quarterly check-ins. At the end of the year, colleagues are allocated a rating that reflects their overall performance. Performance is measured not only on what was achieved, but also how. The Critical People Capabilities represent the 'how' and give us a consistent bank-wide behavioural measure.

### Wider workforce remuneration

Rewarding our colleagues fairly improves their motivation and engagement by helping them feel valued, respected and recognised for the work they do. We're committed to paying colleagues fairly and this is underpinned by our Reward Policy. The policy is updated according to the current and future needs of the business. In the UK, our rates of pay continue to exceed the Living Wage Foundation benchmarks. For our major hubs outside the UK, we continue to pay above the minimum and Living Wage rates in the Republic of Ireland as well as exceeding the minimum wage benchmarks in India and Poland. The number of colleagues at NatWest Group who believe they are paid fairly is significantly above the Global Financial Services Norm.

### → Purpose in action

## Our Fair Pay Charter

### Principles to support fairness for all our colleagues

**For the first time we are publishing a Fair Pay Charter, which supports our commitment to pay competitively and transparently, helping our colleagues perform at their best every day.**



Alongside the financial clarity and certainty we provide our colleagues through our approach to fair pay, we also offer a range of benefits designed to help colleagues make their lives easier and save money. Through our flexible benefits programme RBSelect and other platforms, colleagues can access and choose from a range of benefits to suit their needs.

<b>1. Simplicity</b>	The reward proposition has been simplified to make it easier for colleagues to understand.
<b>2. Consistency</b>	The structure of pay and benefits is consistent for colleagues based on their location and role, with a clear rationale for exceptions.
<b>3. Flexibility</b>	Colleagues are supported in working flexibly, in ways that balance customer and business needs and their personal circumstances. Colleagues can also select the combination and level of benefits that best meets their needs.
<b>4. Transparency</b>	Pay decisions reflect the performance of NatWest Group and the individual, taking into account the behaviours and values demonstrated. Information on salary ranges and the annual pay review is readily available to all colleagues.  Gender and ethnicity pay gaps are reported. Please see <a href="https://natwestgroup.com">natwestgroup.com</a> for more details.
<b>5. Listening</b>	Colleagues are surveyed regularly, and engagement sessions are held on reward with our colleague representatives and the Colleague Advisory Panel.
<b>6. Clarity</b>	Clear communications are provided on pay and performance decisions. Clear expectations are set on how colleagues are rewarded and the principles guiding decisions, including having clearly defined performance goals, regular check-ins with managers and feedback.
<b>7. Reliability</b>	Pay is well administered with colleagues paid accurately and on time. Colleagues can access their payslips and other pay documents 24/7 via Workday.
<b>8. Inclusive</b>	NatWest Group requires fairness and inclusion and that judgement is exercised with thought and integrity. There is a Group-wide commitment to rewarding colleagues in a way that is free from discrimination.
<b>9. Competitive</b>	A competitive total reward proposition is provided that enables NatWest Group to attract, motivate and retain colleagues based on market rates for their role, location, performance, skills and experience.
<b>10. Security</b>	There is an appropriate mix of fixed and variable pay and a core level of benefits. NatWest Group is an accredited Living Wage Employer in the UK with rates of pay that exceed the Living Wage Foundation Benchmarks.



# Supporting our colleagues

## Fair and transparent reward continued

### Aligning executive remuneration to delivery of ESG measures

The value of long-term incentive awards made to executive directors (ED) is based on performance against a range of measures and targets. Over the past few years these targets have increasingly been focused on ESG matters, with the 2020 core goals including targets related to Climate and Enterprise for the first time. The Blueprint for Better Business framework was used to complement the existing balanced scorecard.

The table shows the 2020 ED goals, measures and targets and their alignment to ESG. For full details of performance against these targets, read the NatWest Group Directors' Remuneration Report.

Also included in the Directors' Remuneration Report are the 2021 ED goals, measures and targets which continue to be closely aligned to ESG. As well as continuing to put a focus on the climate challenge and removing barriers to UK enterprise growth, a development in the 2021 goals is the inclusion of a new goal focused on improving the financial capability of our customers, colleagues and communities. This demonstrates the direct alignment between the Group's purpose and the performance goals of senior management.

### Aligning Executive remuneration with delivery of ESG measures

ESG area	Purpose and BfBB alignment	Performance goals	2020 performance measures for 2021 long-term incentive awards
E	A guardian for future generations.	To be a leading bank helping to address the climate challenge.	<ul style="list-style-type: none"> <li>Progress towards Climate Positive operations by 2025.</li> <li>Increase funding and financing for climate and sustainable finance.</li> <li>Set sector specific targets for emissions reduction.</li> </ul>
	Honest & fair with customers and suppliers.	Meaningful increase in customer advocacy. Build trust with our customers.	<ul style="list-style-type: none"> <li>Achieve targets for Net Promoter Scores across top 5 customer journeys.</li> <li>Achieve improved net trust scores for NatWest and Royal Bank of Scotland.</li> </ul>
	A good citizen.	Creation of new businesses.	<ul style="list-style-type: none"> <li>Creation of new businesses, ensuring everyone has the same opportunity to progress irrespective of gender, background or geography.</li> </ul>
S	A responsible and responsive employer.	Build the capability of colleagues to realise their potential. Build up and strengthen a healthy culture.	<ul style="list-style-type: none"> <li>Achieve the capability targets.</li> <li>Achieve the culture targets based on the Banking Standards Board assessment.</li> </ul>
		Embed our shared purpose across the business and brands. Develop a diverse workforce and inclusive environment.	<ul style="list-style-type: none"> <li>Achieve the shared purpose targets.</li> <li>Progress on the number of women across the top three layers and number of Black, Asian and Minority Ethnic UK employees in the top four layers of NatWest Group.</li> <li>Achieve the inclusion targets.</li> </ul>
G	Has a purpose which delivers long-term sustainable performance.	Maintain a robust control environment.	<ul style="list-style-type: none"> <li>Achieve or maintain an effective control environment rating.</li> <li>Effective management of compliance with ring-fencing rules.</li> </ul>
		Material progress towards desired risk culture.	<ul style="list-style-type: none"> <li>Achieve or maintain a 'systematic' risk culture rating.</li> </ul>
		Run a safe and secure bank.	<ul style="list-style-type: none"> <li>Achieve CET1 ratio target for NatWest Group and NWH Group, with appropriate repatriation of capital to NatWest Group.</li> </ul>

# Supporting our colleagues

## Fair and transparent reward continued

### How stakeholders shape our approach

A number of measures are in place to make sure that we consider employee and shareholder views on our approach to pay and performance. The Group Performance and Remuneration Committee (Group RemCo) engages with institutional investors on our pay proposals. We also hold a number of shareholder events during the year which allow retail shareholders to engage with Board Directors and executives on issues of interest, including pay. The views of shareholders are taken into account by the Group RemCo when reviewing the remuneration policy and pay decisions for the year.

The Chairman of Group RemCo meets with colleagues each year through the Colleague Advisory Panel (CAP), where discussions take place on the alignment of executive and wider workforce remuneration. Feedback from the meeting held in November 2020 was positive, with members of the CAP stating that the principles behind executive director pay were clear and fair.

### Celebrating contribution

There are many ways we recognise colleagues for the contribution they make, outside of the annual pay and performance cycle. These include:

- The Determined to Lead operating model, which encourages leaders to reflect on colleagues' contribution and call out success as part of their weekly operating rhythm.
- Living Our Values, which recognises colleagues who have demonstrated our values in a significant way.
- Long service awards of between £250 and £500, depending on the length of service.



## LOVing your work



# 78%

understand how their bonus is determined (up from 75% in 2019)

# 89%

understand how their pay is determined (up from 88% in 2019)

# 73%

of colleagues think they are paid fairly for the work they do (up from 71% in 2019)

# 87%

say that their manager regularly gives them recognition for work well done (staying steady from 2019, 87%)

# Additional disclosures

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# UN Principles for Responsible Banking reporting (PRB)

Natwest Group became a founding signatory of the UN PRB in September 2019, and we are committed to an on-going process to further align our strategy to the objectives of the 2015 Paris Agreement and the UN Sustainable Development Goals (SDGs). In February 2020 we announced a new purpose-led strategy; we champion potential, helping people, families and businesses to thrive.

We recognise that our business can have both positive and negative impacts on the SDGs. Our three areas of focus are climate, enterprise and learning, and across them we seek to take action against climate change, promote entrepreneurship and enhance financial capability.

Our ambitions address negative impacts and tackle the barriers that stand in the way of potential. To achieve our purpose we are working collaboratively with colleagues, customers, communities and expert stakeholders and we strive to make positive contributions to the SDGs, with our commitments aligned to the targets of seven goals where we believe we can make the most impact.

This is our first PRB self-assessment report and demonstrates our year one progress against all six principles. Our report uses the PRB template and our disclosure is included within the scope of EY's limited assurance. **For further details of our assurance refer to page 115.**

## Key

<b>A</b>	2020 Annual Report and Accounts
<b>C</b>	Climate-related disclosures report 2020
<b>E</b>	2020 ESG Supplement
<b>W</b>	NatWest Group Website

## Reporting and self-assessment requirement

### Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.

1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the 2015 Paris Climate Agreement, and relevant national and regional frameworks.

## High level summary and some highlights in 2020

NatWest Group is a leading banking and financial services group in the UK and Ireland. We operate through a number of well-known banking brands and have a presence on the high street through our customer facing brands – NatWest, Royal Bank of Scotland and Ulster Bank. We are the largest supporter of UK business, banking around 1 in 4 businesses across the UK. NatWest Markets help our corporate and institutional clients manage their financial risks and achieve their short and long-term financial goals.

We provide financial services to personal, commercial, large corporate and institutional customers. We earn income from interest gained on loans to our personal, business and commercial customers, as well as fees from customer transactions and other services. We pay interest to customers and investors who have placed deposits with us and bought our debt securities. We also pay customer benefits, through loyalty products like our Reward Account. The attributable profit generated is either reinvested to improve products and services for our customers or returned to shareholders.

In February 2020 we announced our new purpose: we champion potential, helping people, families and businesses to thrive. Our purpose guides our strategic decision making and addresses the barriers which hold potential back.

**Purpose focus areas** – we have prioritised three initial areas of focus:

- **Climate**, and the active role we can play to support the transition to a low carbon economy, including the challenge we set ourselves to at least halve the climate impact of our financing activity by 2030 and do what is necessary to achieve alignment with the objectives of the 2015 Paris Agreement;
- **Enterprise**, and the barriers that too many face to starting a business; and
- **Learning**, and what we can do to improve financial capability and confidence for our customers, as well as establishing a dynamic learning culture for our colleagues.

Our focus areas have been mapped to the 169 UN SDG targets and seven SDG goals were prioritised as ones we will strive to make a positive contribution toward: 4, 5, 7, 8, 10, 13 and 17.

**Policies and commitments** – in 2020 we have started to update our key policies and commitments to include reference to the relevant SDGs including our new Supplier Charter, our Modern Slavery and Human Trafficking Statement and our updated Human Rights Statement.

**Green, Social and Sustainability Bond Framework** – our Green, Social and Sustainability (GSS) bond framework that was issued in July 2019 and updated in October 2020 is aligned to the SDGs.

**National and regional frameworks** – we align with and support a number of frameworks and external commitments, including the UK Strategy for Financial Capability; HM Treasury's Alison Rose Review into Female Entrepreneurship; Business in the Community's Race at Work Charter for colleague inclusion; the UK Government's Code of Practice on Taxation for Banks; the Soft Commodities Compact for Consumer Goods; the UNGC; PCAF; SBTi and the Equator Principles.

**2015 Paris Agreement alignment** – In February 2020, we set ourselves the challenge to at least halve the climate impact of our financing activity by 2030 and to do what is necessary to achieve alignment with the 2015 Paris Agreement. During 2020, we worked on developing our capabilities to estimate our financed emissions to enable us to identify, assess and manage climate-related risks and opportunities, understand the drivers of climate-related transition risks and opportunities in our business, set emissions reduction goals and act to reduce our climate impact. During 2020, we started to undertake analysis of our financing activities to understand the climate impact of both our portfolio and specific sectors and have collaborated and joined working groups on this including PCAF, the SBTi and the United Nations Collective Commitment to Climate Action (CCCCA).

## References for further details and full descriptions

**A** Building a purpose-led bank p16 to 45

**E** Building a purpose-led bank p5 to 23

**A** 2020 highlights and progress p4 to 15, Building a purpose-led bank p16 to 45, Our stakeholders p57 to 61, Governance and compliance p69 to 83

**E** Building a purpose-led bank p5 to 23

**W** **Downloads; GSS Bond Framework**



# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
<b>Principle 2: Impact and Target Setting</b> We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.		
<b>2.1 Impact Analysis</b> Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfils the following elements: <ul style="list-style-type: none"> <li>a) <b>Scope:</b> The bank's core business areas, products/ services across the main geographies that the bank operates in as described under 1.1. have been considered in the scope of the analysis.</li> <li>b) <b>Scale of Exposure:</b> In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</li> <li>c) <b>Context &amp; Relevance:</b> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.</li> <li>d) <b>Scale and intensity/salience of impact:</b> In identifying its areas of most significant impact, the bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</li> </ul> Show that building on this analysis, the bank has: <ul style="list-style-type: none"> <li>Identified and disclosed its areas of most significant (potential) positive and negative impact.</li> <li>Identified strategic business opportunities in relation to the increase of positive impacts/ reduction of negative impacts.</li> </ul>	<p>In 2020 we continued to develop our understanding and ability to measure the areas where we can have the most significant potential positive and negative impact.</p> <p><b>Scope and scale of exposure</b> – we are predominately a UK and Ireland business supporting retail, business banking, commercial and large corporate and institutional customers with a range of banking products.</p> <p><b>PRB Portfolio Impact Assessment tool</b> – we completed a desk top exercise using the UNEP FI excel tool which assists banks with developing the ability to embed impact methodology and capability. The output was aligned to our wider understanding of our key areas of focus. We anticipate working collaboratively in the future to develop an impact methodology and capability.</p> <p><b>Purpose-led strategy</b> – we worked with not-for-profit Blueprint for Better Business to set our purpose-led strategy. We have leveraged their framework to inform how we work to embed purpose and ensure we focus on the potential positive and negative impacts areas effectively.</p> <p><b>Purpose focus areas</b> – our three initial areas of focus were identified after extensive stakeholder engagement, analysis of megatrends and management and Board consideration. They are the areas we believe we can make the biggest impact for customers, society and the environment.</p> <p><b>Our operating environment</b> – we published an integrated materiality assessment of the most important considerations with the potential to influence our ability to serve customers and create value for the long term. Factors that inform our assessment include our stakeholders and the SDGs.</p> <p><b>Preliminary estimates of financed emissions</b> – during 2020, we focused on estimating financed emissions and preliminary emissions intensities for four sectors: residential mortgages, agriculture (primary farming), automotive manufacturers and oil and gas extractors. These four sectors were selected based on their proportion of the NatWest Group's total loans and investments as at 31 December 2019 in combination with climate impacts associated with the sector. The different characteristics of these sectors enabled us to build a better understanding of opportunities and challenges for aligning to the 2015 Paris Agreement, specific to these sectors.</p>	<p><b>A</b> 2020 highlights and progress p12 to 15, Building a purpose-led Bank p16 to 27, Risk management p64, Governance and compliance p69 to 83</p> <p><b>C</b> Introduction p8 to 10, Metrics and targets p40 to 61</p> <p><b>E</b> Building a purpose-led bank p5 to 23, Climate p24 to 36, Enterprise p37 to 43, Learning p44 to 52</p>
<b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</b> We have demonstrated commitment and significant progress towards this principle but anticipate further development in the future supported by the development of impact analysis and measurement. We anticipate working collaboratively in the future to develop an impact methodology and capability.		

## Key

<b>A</b>	2020 Annual Report and Accounts
<b>C</b>	Climate-related disclosures report 2020
<b>E</b>	2020 ESG Supplement
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# UN Principles for Responsible Banking reporting (PRB) continued

## Key

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<b>W</b>	NatWest Group Website

## Reporting and self-assessment requirement

### 2.2 Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Timebound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services. Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline. Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/ climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximise the net positive.

## High level summary and some highlights in 2020

As a PRB signatory we have worked to ensure the targets for our three purpose focus areas contribute positively to the SDGs and are ambitious in alignment with the objectives of the 2015 Paris Agreement.

### Climate

- Making our own operations Climate Positive by 2025.
- 50% of our UK and Ireland mortgage customers’ homes at or above EPC or equivalent rating C by 2030.
- At least halve the impact of our climate financing activity by 2030.
- £20bn additional funding and financing for climate and sustainable finance by 2021.
- Stop lending and underwriting to companies with >15% of activities related to thermal and lignite coal and to all major oil and gas producers, unless they have a credible transition plan.

### Enterprise

- 50,000 incremental new businesses created by 2023 through inspiring and supporting over 500,000 people.
- 60% of those inspired and supported will be female.
- 20% of those inspired and supported will be Black, Asian and Minority Ethnic.
- 75% of those inspired and supported will be based outside London and the South East.
- 10% are social purpose-led.

### Learning

- 2.5m people reached through financial capability interactions each year.
- 2m additional customers helped to start saving by 2023.
- 100% front-line colleagues professionally qualified/ accredited within first 18 months in role.
- Social Mobility Apprenticeship Programme extended across the UK.

In addition to our three purpose focus areas, we have targets for:

### Gender

- To be fully gender balanced by 2030.
- To have at least 30% women in our global top three layers of each of our business areas by the end of 2020.

### Ethnicity

- To have at least 14% Black, Asian, and Minority Ethnic colleagues in our top four UK leadership layers by 2025.

In 2020 we introduced a new goal to have 3% Black colleagues in our UK senior roles by 2025.

We have joined the UNEP FI working groups on Gender Equality, Financial Inclusion and Biodiversity Target Setting and contributed to the guidance documents that are being prepared. We are also signatories of the CCCA, the first collective action working group on climate action.

In 2020, we took part in Phase II of the UNEP FI pilot alongside 38 peer banks. As part of this, we conducted an exploratory climate scenario analysis on future flooding impacts on our mortgage portfolio, using a combination of analysis within the Group and the UNEP FI tool to estimate future risks resulting from increased flooding. This was published as a case study in the UNEP FI report “Charting a New Climate”. More widely, we have worked extensively to integrate climate into Risk Management and mitigate negative impacts through our ESE Policies.

## References for further details and full descriptions

- A** Building a purpose-led bank p16 to 45
- C** Strategy p11 to 28
- E** Building a purpose-led bank p6, 7, 9, 18 and 19, Climate p25, Enterprise p38, Learning p45

## Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have demonstrated commitment and progress towards this principle with the targets set and work we have completed with the UNEP FI target setting working group, but we anticipate further development and integration of the ability to measure and track progress including impact measurement and set further targets in the future.

# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
<b>2.3 Plans for Target Implementation and Monitoring</b> Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.	<b>Purpose and strategic progress</b> – we monitor and report our progress against our purpose and sustainability targets and commitments, either quantitatively or qualitatively as appropriate. Updates have been provided to relevant executive and non-executive governance forums including the NatWest Group Board during the year as well as within our external results. <b>Assurance</b> – limited assurance is provided by our Auditors EY covering ten specific Sustainability metrics.	<b>A</b> 2020 highlights and progress p8 to 15, Governance and compliance p69 to 83 <b>C</b> Strategy p11 to 28, Metrics and Targets p40 to 65 <b>E</b> Building a purpose-led bank p5 to 23, Climate p24 to 36, Enterprise p37 to 43, Learning p44 to 52 <b>W</b> Results & events
<b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</b> We have demonstrated commitment and progress towards this principle with the targets set and updates provided during the year. We anticipate further development on the ability to measure and track progress and set further targets in the future.		
<b>2.4 Progress on Implementing Targets for each target separately</b> Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (Where feasible and appropriate, banks should include quantitative disclosures).	<b>Purpose and strategic progress</b> – we have made significant progress on our purpose, areas of focus and related targets. Our progress includes: <b>Climate:</b> <ul style="list-style-type: none"> <li>We have achieved Net Zero Carbon on our own operations in 2020 and remain committed to making them Climate Positive by 2025.</li> <li>36% of Retail Banking mortgages in England and Wales are at or above EPC rating C.</li> <li>Since launching in October 2020, we have received 1,229 applications for Green Mortgages, with a value of £315 million. These mortgages are only available on the most energy efficient properties.</li> <li>£12 billion climate and sustainable financing and funding has been completed, enabling us to bring forward our £20 billion target from 2022 to 2021.</li> <li>NatWest Markets has helped our clients issue 36 green bonds totalling £23 billion to support their environmental activities.</li> <li>NatWest Group became the principal banking partner for the COP26 summit, a clear demonstration tackling climate change is at the core of our purpose.</li> <li>We achieved a score of A- in the 2020 CDP Climate Change Survey, one of the strongest scores amongst our peers.</li> </ul> <b>Enterprise:</b> <ul style="list-style-type: none"> <li>1,926 incremental businesses created in 2020, below our 2020 target of 6,500 new businesses, reflecting the impact of COVID-19 on business creation.</li> <li>80% of 60,788 people inspired and supported identified as female.</li> <li>72% of 60,788 people inspired and supported were based outside London and the South East, slightly below our target of 75%.</li> <li>52% of 60,788 people inspired and supported were social purpose-led.</li> <li>26% of 60,788 people inspired and supported were Black, Asian and Minority Ethnic.</li> </ul>	<b>A</b> 2020 highlights and progress p4 to 5, Building a purpose-led bank p17 and 19 to 21 <b>C</b> Strategy p11 to 28 <b>E</b> Building a purpose-led bank p5 to 23, Climate p24 to 36, Enterprise p37 to 43, Learning p44 to 52 <b>W</b> Results & events

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# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
	<p><b>Learning</b></p> <ul style="list-style-type: none"> <li>• 2.9m people reached through financial capability interactions.</li> <li>• 600,000 additional customers helped to start saving.</li> <li>• 98% of frontline colleagues are professionally qualified/ accredited within first 18 months in role.</li> <li>• Over 760 interns, graduates and apprentices were hired during 2020 and a commitment made to hire a further 1,000 by the end of 2021.</li> </ul>	
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis</b></p> <p>We have demonstrated commitment and progress towards this principle with the targets set and updates provided during the year. We anticipate further development on the ability to measure and track progress and set further targets in the future.</p>		
<p><b>Principle 3: Clients and Customers</b></p> <p>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high- level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>We have a range of policies and practices in place to promote responsible relationships with our customers. The Responsible Business section of this report provides a detailed overview of our approach and some specific focus areas include:</p> <p><b>Purpose-led strategy</b> – we are focusing on embedding purpose across our businesses and practices to further promote responsible relationships with our customers. Our four strategic priorities include supporting customers at every stage of their lives and being simple to deal with.</p> <p><b>Culture &amp; conduct</b> – Our Code sets out the behaviours that are expected when employees are living our values in their everyday work. Our Yes Check was updated in line with our Purpose and is a simple tool that asks five questions to guide the thinking behind our decisions and actions. When in doubt, we use the Yes Check for guidance. Speak Up is the bank's whistleblowing service for reporting any wrongdoing. To help measure our progress we use Our View, the Colleague Advisory Panel and the UK's Banking Standards Board.</p> <p><b>Front-line incentives</b> – the decision was taken a number of years ago to remove remuneration incentives for large numbers of employees to support the desired culture.</p> <p><b>ESE policies</b> – we assess our customer lending through a robust Environmental, Social and Ethical risk framework (ESE framework) to ensure minimal impact on sensitive sustainability related sectors. All credit approvals are subject to these ESE policies which restrict exposures to high carbon emitting subsectors including mining and energy for example.</p> <p><b>Other policies</b> – our updated statements on Human Rights, Modern Slavery, and our new Supplier Charter include our own actions and expectations on suppliers and customers to uphold human rights.</p> <p><b>PRI</b> – Coutts are signatory to the Principles for Responsible Investment (PRI) which encourages investors to use responsible investing to enhance returns and better manage risks.</p>	<p><b>A</b> 2020 highlights and progress p8 to 15, Building a purpose-led bank p16 to 45, Our stakeholders p57 to 61, Governance and Compliance p69 to 83, Governance p119 to 130</p> <p><b>C</b> Strategy p21, Metrics and Targets p52</p> <p><b>E</b> Building a purpose-led bank p5 to 23, Responsible business p53 to 82</p> <p><b>W</b> <b>Downloads, Compliance &amp; Conduct</b></p>

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# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/ implemented, products and services developed, and, where possible, the impacts achieved.	<p>To achieve our targets outlined in 2.1, each purpose focus area is required to work with customers and clients from across our business to tackle the barriers faced. Some specific focus areas in the year included:</p> <p><b>Climate Opportunities Group</b> – manages delivery of climate-related opportunities. This forum is an evolution from the Commercial Banking Green Forum in place since 2011 and will complete ten years of delivering climate opportunities for the bank in 2021. Members meet on a monthly basis to oversee delivery and review progress against climate opportunities for customers, in order to support the bank's climate ambition. Responsibilities of the forum include overseeing development of new products and initiatives to help customers transition to a low carbon economy, such as our Green Mortgage and the Carbon footprint tracking pilot a tool which helps our customers understand their carbon footprint.</p> <p><b>ESG advisory services</b> – we offer ESG Advisory and Sustainable Finance support to our corporate and institutional customers, assisting clients across every aspect including ESG strategy, reporting, ratings and structuring all sustainable financing products. We offer this service to all customers; it is not limited to those who have accessed our ESG related products or who have ESG at the heart of their business. In addition, we champion thought leadership on corporate impact of ESG through our NatWest on Point hub.</p> <p><b>Issuances under the Green, Social and Sustainability (GSS) Bond Framework</b> – we issued the first exclusively social bond under ICMA's Social Bond Principles in the UK by any financial institution in Q4 2019, and in Q2 2020 we issued a green MREL bond, the first green bond issued in USD by a UK bank, with \$600 million of proceeds allocated to renewable energy projects across the UK.</p> <p><b>Customer philanthropy</b> – Coutts was the first private bank in the UK to establish a dedicated philanthropy team which offers advisory services to clients at all stages of their philanthropy journeys. Our Retail bank also proactively facilitates customer philanthropy through our Reward Accounts and ATM charitable giving.</p> <p><b>Responsible Investing</b> – Coutts Asset Management provide investment expertise for wealth clients. Responsible Investing is fully embedded by integrating ESG in all of the investment decision-making processes, this yielded us an A+ for Strategy &amp; Governance in our 2020 PRI assessment.</p> <p><b>Supporting through COVID-19</b> – we migrated 12 entrepreneur accelerator hubs to digital channel delivery, with over 45,000 attendees since the start of lockdown, and approved £14.1 billion of lending through government schemes. We provided over 250,000 mortgage repayment holidays and delivered £5 million cash to vulnerable customers who couldn't access ATMs. Further details of our support measures can be found in the references provided.</p>	<p><b>A</b> 2020 highlights and progress p8 to 15, Building a Purpose-led bank p16 to 45, Governance and compliance p69 to 83</p> <p><b>C</b> Strategy p14 to 16 Governance p32, Metrics and Targets p40 to 65</p> <p><b>E</b> Building a purpose-led bank p5 to 23, Learning p44 to 52, Responsible business p53 to 82</p> <p><b>W</b> <b>Society, Coutts-Philanthropy, COVID-19 – Supporting our customers</b></p>

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# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
<b>Principle 4: Stakeholders</b> We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.		
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	<p><b>Our stakeholder engagement</b> – to be purpose-led and create long term sustainable value we need to consider appropriately the interests of all stakeholders. Listening, engaging and partnering with stakeholders helps us to address our business impacts and improve outcomes for customers, society and the environment. Our key stakeholder groups are customers, colleagues, communities, investors, regulators and suppliers. Our approach to stakeholder engagement in 2020 was significantly influenced by the COVID-19 pandemic.</p> <p><b>Collaborations and consultation</b> – across our three focus areas we continue to identify collaborations, collective action groups, frameworks and standards and work with stakeholders to implement change across our business. For example, in 2020 NatWest Group was the first major UK bank to join Partnership for Carbon Accounting Financials (PCAF). We also joined Science Based Targets initiative (SBTi) following the launch of the Financial Sector Science- based Targets Guidance in 2020. We were also fully engaged with the UNEP FI as sustainability policy standard setters and other relevant bodies.</p> <p><b>Civil society</b> – we openly engage with NGOs, campaign groups and any interested stakeholders on ESG issues. For example, we proactively engage charities and advocacy groups who can offer insight to support our progress on identifying and mitigating modern slavery, helping customers with gambling addictions and helping victims of financial abuse. We work with debt advice charities and Citizens Advice to support customers in financial hardship or facing issues which could put them in a vulnerable situation.</p>	<p><b>A</b> Our stakeholders p46 to 61, Governance and compliance p69 to 83, Governance p116 to 117</p> <p><b>C</b> Strategy p20 and 21</p> <p><b>E</b> Building a purpose-led bank p11, p12 and p20 and p21, Learning p45 and 48</p> <p><b>W</b> <b>Stakeholder engagement</b></p>

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# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
<b>Principle 5: Governance &amp; Culture</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking		
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	<p><b>The Board</b> – the Board is collectively responsible for promoting the long-term success of NatWest Group, driving both shareholder value and contribution to wider society. The Board establishes NatWest Group's purpose and monitors its progress and performance as a purpose-led organisation. The Board has established a number of Board committees with particular responsibilities. Full details of our governance structures, policies and procedures can be found in the references provided. Several Board Committees play a prominent role in overseeing the interaction between climate change, strategy and risk appetite, and executive leaders have been assigned to purpose workstreams which cover enterprise, learning and climate</p> <p><b>Executive committees</b> – the Group Chief Executive Officer and senior executives are responsible for delivery of our purpose and Principles of Responsible Banking commitments. In 2020 a number of updates were presented to executive committees that support the Group Chief Executive Officer and senior executives in discharging their responsibilities including a paper framing how Purpose and the Principles for Responsible Banking work together.</p> <p><b>Group Sustainable Banking Committee (Group SBC)</b> – Group SBC holds the primary role of overseeing sustainable banking progress. This year, it was agreed that the Committee's remit would be amended to focus on the Group's purpose framework and priorities, launched in February 2020. While the Board sets NatWest Group's strategic direction and oversees the Group's progress and performance as a purpose-led organisation, it was agreed that the Group SBC would oversee progress towards achieving NatWest Group's purposeful commitments and ambitions on behalf of the Board. In addition, oversight of progress against Principles for Responsible Banking and SDG implementation has also been added to the Terms of Reference for the Group SBC.</p> <p><b>Climate Governance</b> – a map detailing the relevant roles and responsibilities of the Board, Board committees, management committees and individuals, as well as operational working groups is set out in the Climate-related disclosures report.</p> <p><b>Independent advisors</b> – in 2020, Lord Stern was appointed as independent climate advisor to NatWest Group. His advice will help to inform the implementation and delivery of our ambitious targets, as well as its future strategic direction on the environment and climate change.</p>	<p><b>A</b> Building a purpose-led bank p16 to 45, Governance and compliance p65 to 83, Governance p99 to 105, 116 to 117</p> <p><b>C</b> Governance p29 to 32</p> <p><b>E</b> Building a purpose-led bank p15 to 16, Responsible business p54 to 59 and p64 to 70</p> <p><b>W</b> <b>Terms of reference for the board</b></p>
<b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</b> We have demonstrated commitment and progress towards this principle with the sustainability considerations and alignment with the principles being embedded in existing governance structures and responsibilities, we will continue to monitor our governance approach and work to update as needed to support the embedding of the principles.		

## Key

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# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p><b>Embedding purpose</b> – we have a group wide programme supporting embedding our Purpose in how we operate and building knowledge and capacity in terms of what that means including the concept of responsible banking.</p> <p><b>Our Code and Our Values</b> – these support the effective implementation of the principles.</p> <p><b>Training and learning</b> – All colleagues receive compulsory learning including customer focused modules such as supporting customers in vulnerable situations. In 2020, new modules were added on climate change and inclusion with purpose. Our Learning Academy has a wealth of resources to support colleagues in building responsible relationships with customers, learning with purpose to build performance.</p> <p><b>Climate training</b> – In addition to approving the purpose-led strategy and receiving progress updates at the spotlight in October, the Board also received targeted training on the topic to support ongoing oversight and upskilling. This has included a learning module on the impact of climate change on financial services, and a Board Climate training session in October 2020. Management's Climate Advisor, Lord Stern of the Grantham Institute, provided the Board with an external perspective and the session also covered progress against strategic aims and updates on key areas including the Group-wide Climate Change Programme, the Bank of England's CBES and Paris alignment. Expert external support continues to be valuable as the organisation builds its own capabilities, with optional training from the Cambridge Institute for Sustainability Leadership being offered to Directors. A number of directors of the Board and subsidiaries have undertaken this training.</p> <p>Education amongst all colleagues has been a key focus during 2020 to help embed climate into our culture, including identification and management of climate-related risks and opportunities across NatWest Group. Examples include: Priority role training – c.800 colleagues participated in a 12 week programme launched during Q3 2020. This programme was developed specifically for NatWest Group and run by the University of Edinburgh's Centre for Business, Climate Change and Sustainability; Senior leaders – c.500 senior leaders participated in a programme on climate change developed and run by the Cambridge Institute for Sustainability Leadership. The programme was developed specifically for NatWest Group with the objective of enhancing knowledge and skills required to lead on NatWest Group's climate ambition within the bank, the financial services industry and the wider economy.</p> <p><b>Remuneration targets</b> – our executive long term incentive targets include purpose and sustainability objectives relating to Climate, Enterprise, Gender and Ethnic diversity.</p> <p><b>PRB working groups</b> – we have joined and engaged in the various working groups that UNEP FI established to support the embedding of the principles.</p>	<p><b>A</b> Building a purpose-led bank p16 to 45, Our stakeholders p57 to 61, Governance and compliance p69 to 83, Governance p119 to 148</p> <p><b>C</b> Strategy p18</p> <p><b>E</b> Building a purpose-led bank p6 to 7, Responsible business p54 to 59 and 74 to 82</p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis</b></p> <p>We have demonstrated commitment and progress towards this principle with the sustainability considerations and alignment with the principles being embedded in existing governance structures and responsibilities, we will continue to monitor our governance approach and work to update as needed to support the embedding of the principles.</p>		

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# UN Principles for Responsible Banking reporting (PRB) continued

Reporting and self-assessment requirement	High level summary and some highlights in 2020	References for further details and full descriptions
<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul>	<p>The governance structure and sources signposted in 5.1 govern our purpose and sustainability matters including targets.</p> <p>Our purpose has been integrated into governance decision paper format to ensure that all decision papers will require to explain how the proposal, business area or update aligns to our purpose.</p> <p>Our purpose and sustainability targets have been integrated into our Executive remuneration to drive purpose-led decision-making.</p>	<p><b>A</b> Governance and compliance p65 to 83, Governance p99 to 105</p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</b></p> <p>We have demonstrated commitment and progress towards this principle with the sustainability considerations and alignment with the principles being embedded in existing governance structures and responsibilities, we will continue to monitor our governance approach and work to update as needed to support the embedding of the principles.</p>		
<p><b>Principle 6: Transparency &amp; Accountability</b></p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas.</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/ is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/ regional good practices and has made progress on its implementation of these Principles.</p>	<p>This is the first year NatWest Group has reported against PRB. Our progress on implementing the principles is detailed in the sections above and will be reported on annually going forward. Our Reporting suite, including the 2020 Annual Report and Accounts, alongside this ESG Supplement and the Climate-related disclosures report give a comprehensive overview of targets, measures and impact, which cover a wide range of purpose and sustainability topics, including our strategic focus areas of climate, enterprise and learning.</p> <p>Set out below are specific examples of where we have considered existing and emerging international best practices in our activities.</p> <p><b>Purpose-led strategy</b> – the announcement and embedding of our purpose-led strategy with three focus areas demonstrates commitment to tackling the barriers that stand in the way of societal and environmental goals as defined in the SDGs. We now have recognised alignment to a number of SDGs where we strive to make positive impact, and embedding our purpose and the six principles of the PRB go hand-in-hand.</p> <p><b>Climate-related disclosures</b> – NatWest included a standalone Climate-related disclosures report for the first time in our 2020 reporting suite and as part of our ongoing commitment to tackle the climate challenge we have signed up to the UN CCCA, were the first major bank to join the Partnership for Carbon Accounting (PCAF) and also joined the Science Based Targets initiative (SBTi) following the launch of the Financial Sector Science- based Targets Guidance in 2020.</p> <p><b>Sustainable reporting frameworks</b> – we have been reporting with reference to IIRC and GRI for a number of years. In 2020, in recognition of the increased focus from investors on the SASB standards and the newly issued UN Global Compact and WEF IBC's Stakeholder Capitalism Metrics, we present roadmaps in this document detailing our current alignment and will work to develop further alignment in the future.</p>	<p><b>Annual report suite including</b></p> <p>2020 Annual Report and Accounts, Climate-related disclosure report, this document and resources on <a href="https://natwestgroup.com">natwestgroup.com</a></p>
<p><b>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</b></p> <p>We have demonstrated commitment and significant progress towards this principle but anticipate further development in the future.</p>		

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# World Economic Forum International Business Council metrics alignment

In September 2020, the World Economic Forum International Business Council (WEF IBC) announced defined Stakeholder Capitalism Metrics and recommended universal disclosures for sustainable value creation in line with the UN Sustainable Development Goals (SDGs). The disclosure requirements are organised into four pillars aligned with the SDGs and key ESG topics: Principles of governance, Planet, People and Prosperity.

We see the WEF IBC common metrics as an important initiative in the drive towards a common standard and in supporting companies to raise the standard of their ESG reporting. As this is a convergence of existing guidance, we recognise this as a useful tool in supporting us developing our ESG disclosures and to the extent we are not already aligned with relevant requirements we will commit to working to develop our reporting in the future.

We have reviewed our reporting and currently we partially or fully report against 17 of the 21 core and 18 of the 34 extended disclosures. Further details can be found in the summary tables, which are included within the scope of EY's limited assurance. For additional information, please refer to our GRI Index and 2020 Annual Reporting suite including this document, our 2020 Annual Report and Accounts and our Climate-related disclosures report 2020.

Alison Rose, NatWest Group Chief Executive Officer is a member the International Business Council for the World Economic Forum.

The following tables summarise the metrics against which we provide full or partial disclosure.

## Core Metrics

Principles of Governance 6/6	Planet 2/4	People 5/6	Prosperity 4/5
Setting purpose	Greenhouse Gas (GHG) Emissions	Pay equality	Absolute number and rate of employment
Governance body composition		Diversity and inclusion	
Anti-corruption		Wage level	Total tax paid
Impact of material issues on stakeholders	TCFD Implementation	Risk for incidents of child, forced or compulsory labour	Financial investment contribution
Protected ethics advice and reporting mechanisms		Health and safety	Economic contribution
Integrating risk and opportunity into business processes			
SDGs: 12, 16, 17	SDGs: 6, 7, 12-15	SDGs: 1, 3-5, 8, 10	SDGs: 1, 8-10

## Extended Metrics

Principles of Governance 5/6	Planet 4/12	People 4/9	Prosperity 5/7
Progress against strategic milestones	Paris-aligned GHG emissions targets	Freedom of association and collective bargaining at risk	Infrastructure, investments and services supported
Purpose-led management	Single use plastics	Living wage	Total social investment
Remuneration	Impact of solid waste disposal	Pay gap	Additional tax remitted
Alignment of strategy and policies to lobbying	Impact of freshwater consumption	Human rights review, grievance impact and modern slavery	Total tax paid by country for significant locations
Monetary losses from unethical behaviour			Significant indirect economic impacts
SDGs: 12, 16, 17	SDGs: 6, 7, 12-15	SDGs: 1, 3-5, 8, 10	SDGs: 1, 8-10

# Global Reporting Initiative index

Our 2020 Annual Reporting was prepared with reference to the Global Reporting Initiative Standards (2016), Comprehensive option, and with relevant parts of GRI G4 Financial Services Sector Disclosures. The tables that follow show our full or partial alignment to the relevant standards.

We are aware of the increasing importance of providing our investors and other stakeholders with relevant and meaningful sustainability information so will continue to monitor the GRI standards and develop our alignment going forward.

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## GENERAL STANDARD DISCLOSURES

General Standard Disclosures		Page number (or Link)
		Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports by the organisation. In these circumstances, the organisation may elect to add a specific reference to where the relevant information can be found.
ORGANISATIONAL PROFILE		
GRI 102-1	Name of the organisation	NatWest Group plc
GRI 102-2	Activities, brands, products and services	<b>A</b> Building a purpose-led bank p33 to 45 <b>W</b> <a href="#">Our brands</a>
GRI 102-3	Location of headquarters	Edinburgh, Scotland <b>W</b> <a href="#">Worldwide locations</a>
GRI 102-4	Location of operations	<b>W</b> <a href="#">Worldwide locations</a>
GRI 102-5	Ownership and legal form	<b>A</b> Governance p153 to 155 <b>W</b> <a href="#">Equity ownership statistics</a>
GRI 102-6	Markets served	<b>A</b> Building a purpose-led bank p33 to 45 <b>W</b> <a href="#">Worldwide locations</a>
GRI 102-7	Scale of the organisation	<b>A</b> 2020 highlights and progress p5 to 7, Building a purpose-led bank p17 to 22, p33 to 45, Our stakeholders p46 to 47, p57 to 61, Business review p84 to 96, Financial statements p270 The number of persons employed at 31 December 2020, excluding temporary staff, was 59,900. Financial statements p270 for full breakdown.
GRI 102-8	Information on employees and other workers	<b>A</b> Our stakeholders p57 to 61, Financial statements p270 <b>E</b> Responsible Business p74 to 82 <b>W</b> <a href="#">Working at NatWest Group</a>
GRI 102-9	Supply chain	<b>A</b> Our stakeholders p46 to 47 <b>E</b> Responsible Business p60 <b>W</b> <a href="#">Supply chain</a> <b>W</b> <a href="#">Supplier charter</a>
GRI 102-10	Significant changes to the organization and its supply chain	<b>E</b> Responsible Business p60 <b>W</b> <a href="#">Supply chain</a>
GRI 102-11	Precautionary Principle or approach	<b>A</b> Risk Management p62 to 64 <b>E</b> Responsible Business p54 to 59 <b>C</b> Full report p1 to 68

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GRI 102-12	External initiatives	<b>A</b> Governance and compliance p69 to 83 <b>E</b> Building a purpose-led bank p17 to 21, Climate p25, Enterprise p38, Learning p45 <b>C</b> Strategy p20 to 21
GRI 102-13	Membership of associations	<b>A</b> Building a purpose-led bank p20, 21, 26, 30, 31, 41, Governance and compliance p69 to 83 <b>E</b> Building a purpose-led bank p18, p20 to 21, Climate p25, Enterprise p38, Learning p45 <b>C</b> Strategy p20 to 21
GRI 102-14	Statement from senior decision-maker	<b>A</b> 2020 highlights and progress p8 to 10 and p12 to 15 <b>E</b> Group Chief Executive Officer's statement p2 to 3 <b>C</b> Group Chief Executive Officer's statement p2 to 3
GRI 102-15	A description of key impacts, risks, and opportunities.	<b>A</b> Risk management p62 to 64, Governance and compliance p69 to 83 <b>E</b> Responsible Business p54 to 59 <b>C</b> Full report p1 to 68
GRI 102-16	Values, principles, standards, and norms of behaviour	<b>A</b> Building a purpose-led bank p17, 24 to 26, 30 to 31, Our Stakeholders p58 to 59, Governance p127 <b>E</b> Building a purpose-led bank p9 to 10 and p13
GRI 102-17	Mechanisms for advice and concerns about ethics	<b>A</b> Risk management p58 <b>E</b> Responsible Business p56
GRI 102-18	Governance structure	<b>A</b> Our Stakeholders p48 to 52, p65, Governance p97 to 156 <b>E</b> Building a purpose-led bank p15 to 16, Responsible Business p68 to 69 <b>C</b> Governance p29 to 32
GRI 102-19	Delegating authority	<b>E</b> Building a purpose-led bank p15 to 16 <b>C</b> Governance p29 to 32
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	<b>E</b> Building a purpose-led bank p15 to 16 <b>C</b> Governance p29 to 32
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics.	<b>A</b> Our stakeholders p46 to 61 <b>E</b> Building a purpose-led bank p11 to 12 <b>C</b> Strategy p20 to 21 and p28

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GRI 102-22	Composition of the highest governance body and its committees	<b>A</b> Governance p97 to 105 <b>W</b> <b>Executive management team</b>
GRI 102-23	Chair of the highest governance body	Howard Davies <b>A</b> 2020 highlights and progress p8 to 10, Governance p97
GRI 102-24	Nominating and selecting the highest governance body	<b>A</b> Governance p103 and 104
GRI 102-25	Conflicts of interest	<b>A</b> Governance p103 and 104 <b>E</b> Responsible business p56
GRI 102-26	Role of the highest governance in setting purpose, values and strategy	<b>A</b> Governance p99 to 105 <b>E</b> Building a purpose-led bank p15 and 16 <b>W</b> <b>Board and committees</b>
GRI 102-27	Collective knowledge of highest governance body	<b>A</b> Governance p97 to 105 <b>W</b> <b>Board and committees</b>
GRI 102-28	Evaluating the highest governance body's performance	<b>A</b> Governance p101 to 122
GRI 102-29	Identifying and managing economic, environmental, and social impacts	<b>A</b> Building a purpose-led bank p10 to 27, Governance and Compliance p69 to 83 <b>C</b> Full report p1 to 68 <b>E</b> Building a purpose-led bank p5 to 23, Climate p25 to 36, Enterprise p38 to 43, Learning p45 to 52, How we do business p58 to 59, Additional disclosures p84 to 93
GRI 102-30	Effectiveness of risk management processes	<b>A</b> Risk and capital management p157 to 245 <b>C</b> Risk management p34 to 39 <b>E</b> Responsible business p54 to 55
GRI 102-31	Review of economic, environmental, and social topics	<b>A</b> Building a purpose-led bank p20 to 22 and p25 to 36, Governance and Compliance p69 to 83 <b>E</b> Building a purpose-led bank p8, 10, 13, 14 and 19, Climate p24 to 37, Enterprise p38 to 43, Learning p45 and 52, How we do business p58 to 59, Additional disclosures p84 to 93
GRI 102-32	Highest governance body's role in sustainability reporting	<b>A</b> Governance p99 to 105 <b>C</b> Governance p30 to 32 <b>E</b> Building a purpose-led bank p15 and 16

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		Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports by the organisation. In these circumstances, the organisation may elect to add a specific reference to where the relevant information can be found.
GRI 102-33	Communicating critical concerns	<b>A</b> Our stakeholders p58 <b>E</b> Responsible business p56
GRI 102-34	Nature and total number of critical concerns	<b>E</b> Responsible business p69
GRI 102-35	Remuneration policies	<b>A</b> Governance p119 to 150 <b>E</b> Responsible business p79 to 82 <b>W</b> <b>Director's remuneration policy</b>
GRI 102-36	Process for determining remuneration	<b>A</b> Governance p119 to 150 <b>E</b> Responsible business p79 to 82
GRI 102-37	Stakeholders' involvement in remuneration	<b>A</b> Governance p119 to 150 <b>E</b> Responsible business p79 to 82
GRI 102-38	Annual total compensation ratio	<b>A</b> Governance p143
GRI 102-39	Percentage increase in annual total compensation ratio	<b>A</b> Governance p143
GRI 102-40	List of stakeholder groups	<b>A</b> Our stakeholders p46 to 47 <b>E</b> Building a purpose-led bank p11 to 12 <b>C</b> Strategy p20 to 21 and p28
GRI 102-41	Percentage of total employees covered by collective bargaining agreements.	<b>E</b> Responsible business p74
GRI 102-42	Identifying and selecting stakeholders	<b>A</b> Our stakeholders p46 to 47 <b>E</b> Building a purpose-led bank p11 to 12 <b>C</b> Strategy p20 to 21 and p28
GRI 102-43	Approach to stakeholder engagement	<b>A</b> Our stakeholders p46 to 61 <b>E</b> Building a purpose-led bank p11 to 12 <b>C</b> Strategy p20 to 21 and p28

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		Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports by the organisation. In these circumstances, the organisation may elect to add a specific reference to where the relevant information can be found.
GRI 102-44	Key topics and concerns raised	<b>A</b> Our stakeholders p46 to 47 <b>E</b> Building a purpose-led bank p11 to 12 <b>C</b> Strategy p20 to 21 and p28
GRI 102-45	Entities included in the consolidated financial statements	<b>A</b> Financial statements p333 to 338
GRI 102-46	Defining report content and topic Boundaries	<b>A</b> Building a purpose-led bank p24 to 26 <b>E</b> Building a purpose-led bank p10
GRI 102-47	List of material topics	<b>A</b> Building a purpose-led bank p24 to 26 <b>E</b> Building a purpose-led bank p10 <b>C</b> Full report p1 to 68
GRI 102-50	Reporting period	The year ended and as at 31 December 2020 unless otherwise stated
GRI 102-51	Date of most recent report	The 2020 Annual Report and Accounts was released on 19 February 2021 along with the Climate-related disclosure report 2020.
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	<b>W</b> <a href="#">Contact us   NatWest Group</a>
GRI 102-54	Claims of reporting in accordance with the GRI Standards	NatWest Group reports with reference to the Core option of the GRI Standards
GRI 102-55	GRI Content Index	GRI Index
GRI 102-56	External Assurance	<b>A</b> Governance and compliance p66, Financial statements p247 to 257 <b>C</b> Introduction p10 <b>E</b> Additional disclosures p115 <b>W</b> <a href="#">External assurance</a>

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GRI 103-1	Explanation of the material topic and its Boundary	<b>A</b> Building a purpose-led bank p24 to 26, Our stakeholders p46 to 48, Risk management p62 to 64 <b>C</b> Full report p1 to 68 <b>E</b> Building a purpose-led bank p10 to 12
GRI 103-2	The management approach and its components	<b>A</b> 2020 highlights and progress p4, p8 to 15, Building a purpose-led bank p16 to 22, p24 to 26 and p30 to 31 <b>C</b> Full report p1 to 68 <b>E</b> Building a purpose-led bank p6 to 23, Climate p25 to 26, p31 to 33, Enterprise p38, Learning p45, Responsible Business p54 to 82

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ECONOMIC STANDARDS		
GRI 201: ECONOMIC PERFORMANCE		
201	Economic performance: Management approach	<b>A</b> 2020 highlights and progress p5 to 7, p11 to 15, Building a purpose-led bank p19, p33 to 45, Financial statements p258 to 342
GRI 201-1	Direct economic value generated and distributed	The revenues, operating costs, employee wages and benefits, taxes and distributions are presented in the Business review and Financial statements. Where material geographic and business splits are also included. <b>A</b> Building a purpose-led bank p33 to 45, Business review p84 to 96, Financial statements p258 to 342
GRI 201-2	Financial implications and other risks and opportunities due to climate change	<b>A</b> Building a purpose-led bank p20 to 21, Governance and compliance 69 to 83, Risk and capital management p242 to 243 <b>C</b> Full report p1 to 68
GRI 201-3	Defined benefit plan obligations and other retirement plans	<b>A</b> Risk and capital management p240, Financial statements p276 to 280
GRI 202: MARKET PRESENCE		
202	Market presence: Management approach	<b>A</b> Our stakeholders p57 to 61 <b>E</b> Learning p49 to 52, Responsible business p74 to 82
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<b>A</b> Our stakeholders p57 to 61 <b>E</b> Learning p49 to 52, Responsible business p74 to 82
GRI 203: INDIRECT ECONOMIC IMPACTS		
203	Indirect economic impacts: Management approach	<b>A</b> 2020 highlights and progress p6 to 23, Building a purpose-led bank 16 to 21, p24 to 26, p30 to 31 and p34 to 45. <b>E</b> Building a purpose-led bank p6 to 23, Climate 25 to 26, Enterprise 38 to 42, Learning 45 to 48, Additional disclosures p84 to 93 <b>C</b> Strategy p11 to 28

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GRI 203-2	Significant indirect economic impacts	<b>A</b> 2020 highlights and progress p4, Building a purpose-led bank p16 to 21, p24 to 26, p30 to 31 and p34 to 45. <b>E</b> Building a purpose-led bank p6 to 23, Climate p25 to 26, Enterprise p38 to 42, Learning p45 to 48, Additional disclosures p84 to 93 <b>C</b> Strategy p11 to 28
<b>GRI 205: ANTI-CORRUPTION</b>		
205	Anti-corruption: Management approach	<b>A</b> Our stakeholders p58, Risk management p63 <b>E</b> Responsible business p54 to 57
GRI 205-1	Operations assessed for risks related to corruption	<b>A</b> Our stakeholders p58, Risk management p63 <b>E</b> Responsible business p54 to 57
GRI 205-2	Communication and training about anti-corruption policies and procedures	<b>A</b> Our stakeholders p58, Risk management p63 <b>E</b> Responsible business p54 to 57
<b>ENVIRONMENTAL STANDARDS</b>		
<b>GRI 302: ENERGY</b>		
GRI 302	Energy: Management approach	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 302-1	Energy consumption within the organisation	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 302-2	Energy consumption outside of the organisation	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 302-3	Energy intensity	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 302-4	Reduction of energy consumption	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52

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<b>GRI 303: WATER AND EFFLUENTS</b>		
303	Water and effluents: Management approach	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
303-5	Water consumption	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
<b>GRI 305: EMISSIONS</b>		
305	Emissions: Management approach	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 305-1	Direct (Scope 1) emissions	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 305-2	Energy indirect (Scope 2) GHG emissions	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 305-3	Other indirect (Scope 3) GHG emissions	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 305-4	GHG emissions intensity	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 305-5	Reduction of GHG emissions	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 305-6	Emissions of ozone-depleting substances	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
<b>GRI 306: EFFLUENTS AND WASTE</b>		
306	Effluents and waste: Management approach	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52
GRI 306-2	Waste by type and disposal method	<b>A</b> Governance and compliance p78 to 79 <b>C</b> Metrics and targets p47 to 52

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<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
308	Supplier environmental assessment: Management approach	<b>A</b> Our stakeholders p46 to 47 <b>C</b> Metrics and targets p52 <b>E</b> Responsible business p60 <b>W</b> <a href="#">Supplier charter</a>
GRI 308-1	New suppliers that were screened using environmental criteria	<b>A</b> Our stakeholders p46 to 47 <b>C</b> Metrics and targets p52 <b>E</b> Responsible business p60 <b>W</b> <a href="#">Supplier charter</a>
<b>SOCIAL STANDARDS</b>		
<b>GRI 401: EMPLOYMENT</b>		
401	Employment: Management approach	<b>A</b> Ours stakeholders p57 to 61 <b>E</b> Learning p49 to 51, Responsible business p74 to 82
GRI 401-1	New employee hires and employee turnover	<b>A</b> Ours stakeholders p57 to 61 <b>E</b> Learning p49 to 51, Responsible business p74 to 82
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<b>A</b> Ours stakeholders p57 to 61 <b>E</b> Learning p49 to 51, Responsible business p74 to 82
GRI 401-3	Parental leave	<b>A</b> Ours stakeholders p57 to 61 <b>E</b> Learning p49 to 51, Responsible business p74 to 82

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<b>GRI 403: OCCUPATIONAL HEALTH &amp; SAFETY</b>		
403	Occupational health & safety: Management approach	<b>A</b> Our stakeholders p59 <b>E</b> Responsible business p78 <b>W</b> <b>Health and safety</b>
403-1	Occupational health and safety management system	<b>A</b> Our stakeholders p59 <b>E</b> Responsible business p78 <b>W</b> <b>Health and safety</b>
<b>GRI 404: TRAINING AND EDUCATION</b>		
404	Training and education: Management approach	<b>A</b> Our stakeholders p58 to 59 <b>C</b> Education p18 <b>E</b> Learning p49 to 52, Responsible business p74 to 82
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	<b>A</b> Our stakeholders p58 to 59 <b>C</b> Education p18 <b>E</b> Learning p49 to 52, Responsible business p74 to 82
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	<b>A</b> Our stakeholders p58 to 59 <b>E</b> Responsible business p80
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>		
405	Diversity and equal opportunity: Management approach	<b>A</b> Our stakeholders p60 to 61, Governance p132 to 146 <b>E</b> Responsible business p75 to 77
405-1	Diversity of governance bodies and employees	<b>A</b> Our stakeholders p60 to 61, Governance p132 to 146 <b>E</b> Responsible business p75 to 77
405-2	Ratio of basic salary and remuneration of women to men	<b>A</b> Our stakeholders p60 to 61, Governance p132 to 146 <b>E</b> Responsible business p75 to 77

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<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>		
412	Human rights assessment: Management approach	<b>A</b> Building a purpose-led bank p26 <b>E</b> Responsible business p63 <b>W</b> Human Rights Statement
412-1	Operations that have been subject to human rights reviews or impact assessments	<b>E</b> Responsible business p63
412-2	Employee training on human rights policies	<b>A</b> Building a purpose-led bank p26 <b>E</b> Responsible business p63 <b>W</b> Human Rights Statement
412-3	Local communities: Management approach	<b>E</b> Responsible business p71 to 73
<b>GRI 413: LOCAL COMMUNITIES</b>		
413	Local communities: Management approach	<b>E</b> Responsible business p71 to 73
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	<b>E</b> Responsible business p71 to 73
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT</b>		
414	Supplier social assessment: Management approach	<b>E</b> Responsible business p60
GRI 414-1	New suppliers that were screened using social criteria	<b>E</b> Responsible business p60
<b>GRI 415: PUBLIC POLICY</b>		
415	Public policy: Management approach	<b>A</b> Governance p155 <b>E</b> Responsible business p57

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GRI 415-1	Political contributions	<b>A</b> Governance p155 <b>E</b> Responsible business p57
<b>GRI 417: MARKETING AND LABELLING</b>		
GRI 417-1	Requirements for product and service information and labelling	<b>E</b> Responsible business p68 to 69
<b>GRI 418: CUSTOMER PRIVACY</b>		
418	Customer privacy: Management approach	<b>E</b> Responsible business p70
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<b>E</b> Responsible business p70
<b>GRI 419: SOCIOECONOMIC COMPLIANCE</b>		
419	Socioeconomic compliance: Management approach	<b>A</b> Governance p151, Risk and capital management p240 to 241
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	<b>A</b> Financial statements p306 and p315 to 319
<b>FINANCIAL SERVICES SECTOR DISCLOSURES</b>		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	<b>A</b> Building a purpose-led bank p21 to 22, p30-31, p33 to 44, Business review p84 to 96 <b>E</b> Building a purpose-led bank p13, Enterprise p38 to 43
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	<b>A</b> Building a purpose-led bank p21, p33 to 44, Business review p84 to 96 <b>E</b> Building a purpose-led bank p13, Climate p24 to 36 <b>C</b> Full document p1 to 68

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FS13	Access points in low-populated or economically disadvantaged areas by type	<b>A</b> Building a purpose-led bank p21 to 22 and p34 to 35 <b>E</b> Learning p45 to 48, Responsible business p66-67
FS14	Initiatives to improve access to financial services for disadvantaged people	<b>A</b> Building a purpose-led bank p21 to 22 and p34 to 35 <b>E</b> Learning p45 to 48, Responsible business p66-67

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# Sustainability Accounting Standards Board (SASB) index

This is our first time reporting against the SASB disclosure framework (version 2018-10). The tables that follow detail our disclosures against the six Financial Industry Standards that we have identified as most closely aligned to our business, Mortgage Financing (FN-MF), Commercial Banks (FN-CB), Consumer Finance (FN-CF), Investment Banking and Brokerage (FN-IB), Asset Management and Custody Activities (FN-AC) and Investment Banking (FN-IB). The tables indicate where to find information either in this report or within our wider reporting suite.

Unless otherwise stated all data and descriptions are for NatWest Group on a consolidated basis and not just the business segment or legal entity within the group relevant to that sector. The tables are structured by topic to take into account that some disclosure and indicator requirements appear in more than one sector. As SASB is a global framework with a US-focus we have in some instances had to provide the equivalent relevant UK disclosure. We do not currently disclose all metrics within these six standards, but we are aware of the increasing importance of providing our investors and other stakeholders with relevant and meaningful sustainability information so will continue to work with SASB to monitor develop the alignment of our disclosures going forward.

	Code	Accounting metric	Reference or Response
<b>Business Ethics</b>			
<b>Quantitative</b>	FN-IB-510a.1 FN-CB-510a.1 FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	<b>A</b> “Provisions for liabilities and charges” in Note 20 p306, “Litigation and regulatory matters” in Note 26 p315 to 319
<b>Discussion and Analysis</b>	FN-IB-510a.2 FN-AC-510a.2 FN-CB-510a.2	Description of whistleblower policies and procedures	<b>A</b> Speak-up p58 and Whistleblowing p109 <b>E</b> Whistleblowing p56
<b>Data Security</b>			
<b>Quantitative</b>	FN-CF-230a.2	Card-related fraud losses from (1) card-notpresent fraud and (2) card-present and other fraud	<b>A</b> Operational risk p243 to 244
<b>Discussion and Analysis</b>	FN-CF-230a.3 FN-CB-230a.2	Description of approach to identifying and addressing data security risks	<b>A</b> Operational risk p243 to p244 <b>E</b> Information security and system availability p65, Protecting privacy and customer confidentiality p70
<b>Employee Diversity &amp; Inclusion</b>			
<b>Quantitative</b>	FN-AC-330a.1 FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	<b>A</b> Diversity and Inclusion p60 to 61, Annual report on remuneration p133 to 146 <b>E</b> Diversity and Inclusion p75 to 77 <b>W</b> <b>Building a more inclusive bank</b>

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	Code	Accounting metric	Reference or Response
<b>Employee Incentives &amp; Risk Taking</b>			
<b>Quantitative</b>	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	<b>A</b> Other remuneration disclosures p147 to 150
<b>Quantitative</b>	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	<b>A</b> Other remuneration disclosures p147 to 150
<b>Discussion and Analysis</b>	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	<b>A</b> Note 12 Financial instruments – valuation p292 to 297
<b>Environmental Risk to Mortgaged Properties</b>			
<b>Quantitative</b>	FN-MF-450a.1	1) Number and (2) value of mortgage loans in 100-year flood zones	<b>A</b> Climate-related scenario analysis p73 to 75, Managing Climate-related risks p75 to 76, Climate-related risk p242 to 243 <b>C</b> Scenario analysis p22 to 28, Risk management p34 to 39, Risk for residential mortgages in the Retail Banking portfolio p43
<b>Discussion and Analysis</b>	FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	<b>A</b> Climate-related scenario analysis p73 to 75, Managing Climate-related risks p75 to 76, Climate-related risk p242 to 243 <b>C</b> Scenario analysis p22 to 28, Risk management p34 to 39, Risk for residential mortgages in the Retail Banking portfolio p43
<b>Financial Inclusion &amp; Capacity Building</b>			
<b>Quantitative</b>	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<b>A</b> Commercial Banking lending p31, 38, 39 and 92 <b>E</b> Commercial Banking lending p12 and Enterprise p37 to 43
<b>Discussion and Analysis</b>	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	<b>E</b> Addressing barriers to financial health p66 to 67
<b>Quantitative</b>	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	<b>A</b> Moneysense p23, 31, 34 and 36 <b>E</b> Building financial confidence and resilience p46 to 48
<b>Incorporation of Environmental, Social and Governance Factors in Investment Management Advisory</b>			
<b>Quantitative</b>	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	<b>E</b> Integrating ESG across our products, services and operations p22 to 23
<b>Quantitative</b>	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	<b>W</b> Coutts has appointed EOS at Federated Hermes to advise and support voting and engagement activity. In doing so, <b>Coutts applies EOS' responsible ownership principles</b>

# Sustainability Accounting Standards Board (SASB) index continued

	Code	Accounting metric	Reference or Response
<b>Incorporation of Environmental, Social, and Governance Factors in Credit Analysis</b>			
<b>Quantitative</b>	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	<b>A</b> Heightened climate-related risk sectors p76, Credit risk portfolio summary – sector analysis p186 to 190 <b>E</b> Heightened climate-related risk sectors p32 <b>C</b> Heightened climate-related risk sectors p41
<b>Discussion and Analysis</b>	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	<b>A</b> Climate-related risk p242 to 243, Reputational risk p245 <b>E</b> Environmental, Social and Ethical risk management p58 to 59
<b>Incorporation of Environmental, Social, and Governance Factors in Investment Banking &amp; Brokerage Activities</b>			
<b>Quantitative</b>	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	<b>A</b> Climate and Sustainable Funding and Financing p71, p72 and p77 <b>E</b> Climate and Sustainable Funding and Financing: p31 <b>C</b> Climate and Sustainable Funding and Financing p17 and p44 to 46
<b>Quantitative</b>	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	<b>A</b> Climate and Sustainable Funding and Financing p71, p72 and p77 <b>E</b> Climate and Sustainable Funding and Financing: p22 to 23 and p31 <b>C</b> Climate and Sustainable Funding and Financing p17 and p44 to 46
<b>Lending Practices</b>			
<b>Quantitative</b>	FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	<b>A</b> “Provisions for liabilities and charges” in Note 20 p306, “Litigation and regulatory matters” in Note 26 on p315 to 319
<b>Quantitative</b>	FN-MF-270a.4	Description of remuneration structure of loan originators (Employee rem linked to mortgage sales)	<b>A</b> Directors’ remuneration report p127 and 130 and Other remuneration disclosures p148. In recent years the decision was taken to remove front-line incentives for large numbers of employees to support the desired culture <b>E</b> Fair and transparent reward p80 to 82
<b>Managing Business Continuity &amp; Technology Risks</b>			
<b>Discussion and Analysis</b>	FN-EX-550a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	<b>A</b> Operational risk p243 to 244 <b>E</b> Information security and system availability p65 and Protecting privacy and customer confidentiality on p70
<b>Quantitative</b>	FN-EX-550a.3	Description of efforts to prevent technology errors, security breaches, and market disruptions	<b>A</b> Operational risk on p243 to 244 <b>E</b> Information security and system availability p65 and Protecting privacy and customer confidentiality on p70

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# Sustainability Accounting Standards Board (SASB) index continued

	Code	Accounting metric	Reference or Response
<b>Managing Conflicts of Interest</b>			
<b>Quantitative</b>	FN-EX-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	<b>A</b> “Provisions for liabilities and charges” in Note 20 p306, “Litigation and regulatory matters” in Note 26 p315 to 319
<b>Professional Integrity</b>			
<b>Quantitative</b>	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	<b>A</b> Human rights and modern slavery p26, Our Code p157 <b>E</b> Our Code – how we work p54, Respecting human rights p63
<b>Selling Practices</b>			
<b>Quantitative</b>	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	<b>A</b> Directors’ remuneration report p127, p130 and Other remuneration disclosures p148. In recent years the decision was taken to remove front-line incentives for large numbers of employees to support the desired culture <b>E</b> Fair and transparent reward p80 to 82
<b>Discussion and Analysis</b>	FN-CF-270a.4	1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	<b>A</b> Compliance and conduct risk p240 to 241 <b>E</b> Meeting our customer needs p68 to 69 <b>W</b> <b>Customer complaints</b>
<b>Quantitative</b>	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	<b>A</b> “Provisions for liabilities and charges” in Note 20 p306, “Litigation and regulatory matters” in Note 26 p315 to 319.
<b>Systemic Risk Management</b>			
<b>Discussion and Analysis</b>	FN-IB-550a.2 FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	<b>A</b> Risk management framework – Stress testing p161 to 164 <b>C</b> Our approach to Climate change scenario analysis p22 to 28
<b>Quantitative</b>	FN-AC-550a.3	Total exposure to securities financing transactions	<b>A</b> Credit risk – Securities financing transactions and collateral p209
<b>Discussion and Analysis</b>	FN-AC-550a.4	Net exposure to written credit derivatives	<b>A</b> Credit risk – Derivatives p210 to 211

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	Code	Accounting metric	Reference or Response
<b>Transparent Information &amp; Fair Advice for Customers</b>			
<b>Quantitative</b>	FN-AC-270a.3	Description of approach to informing customers about products and services	<b>A</b> Our Code p157 <b>E</b> Our Code – how we work and The Yes check – how we make decisions p24, Meeting our customer needs p68 to 69
<b>Activity Metrics</b>			
<b>Quantitative</b>	FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	<b>A</b> Business review p84 to 96, Credit risk p165 to 212
<b>Quantitative</b>	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	<b>A</b> Business review p84 to 96, Credit risk p165 to 212
<b>Quantitative</b>	FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	<b>A</b> Private Banking p93
<b>Quantitative</b>	FN-AC-000.B	Total assets under custody and supervision	<b>A</b> Private Banking p93

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# Important information

This ESG Supplement has been prepared by NatWest Group plc (together with its subsidiaries the 'NatWest Group') for information and reference purposes only; it is intended to provide non-exhaustive, indicative and general information only and does not purport to be comprehensive; and it does not provide any form of legal, tax, investment, accounting, financial or other advice.

## Caution about the information in this ESG supplement

This ESG supplement and any information contained or otherwise accessible through the websites mentioned in this ESG supplement are historical and only speak as of their respective date. Reference to websites is made for information purposes only, and information found at such websites is not incorporated by reference into this document. NatWest Group is under no obligation to update these materials, absent a legal duty to do so. To the extent permitted by law, NatWest Group makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to the fairness, accuracy, reliability, reasonableness, correctness or completeness with respect to (i) the third party information found at any websites operated by third parties; and (ii) the opinions or conclusions expressed in this document.

## No offer of securities or investments

The information, statements and opinions contained in this ESG supplement do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments, or any advice or recommendation with respect to such securities or other financial instruments.

## Cautionary note about forward-looking statements in this ESG supplement

Certain sections in this document contain 'forward-looking statements', such as targets, climate scenarios and emissions intensity pathways, estimated climate projections and forecasts. Words or phrases such as 'anticipate', 'effort', 'estimate', 'believe', 'budget', 'continue', 'could', 'expect', 'forecast', 'goal', 'guidance', 'intend', 'may', 'objective', 'outlook', 'plan', 'potential', 'predict', 'projection', 'seek', 'should', 'target', 'will', 'would' or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements.

Limitations inherent to forward-looking statements – These statements are based on current plans, expectations, estimates, targets and projections, and are subject to significant inherent risks, uncertainties and other factors, both external and relating to NatWest Group's strategy or operations, which may result in NatWest Group being unable to achieve the current plans, expectations, estimates, targets, projections and other anticipated outcomes expressed or implied by such forward-looking statements. In addition, certain of these disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations, including assumptions and estimates made by management. By their nature, certain of these disclosures are only estimates and, as a result, actual future results could differ materially from those that have been estimated. Accordingly, undue reliance should not be placed on these statements. The forward-looking statements contained in this document speak only as of the date we make them and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein, whether to reflect any change in our expectations with regard thereto, any change in events, conditions or circumstances on which any such statement is based, or otherwise, except to the extent legally required.

This forward-looking statement should not be regarded as a complete and comprehensive statement and should be read together with:

- the 'Risk Factors' included on pages 345 to 362 of the NatWest Group 2020 Annual Report and Accounts (with special regard to the risk factors in relation to 'Climate and sustainability related risks' that describes several particular uncertainties, climate and sustainability related risks to which NatWest Group is exposed);
- the 'Cautionary statement regarding forward-looking statements' on page 367 of the NatWest Group 2020 Annual Report and Accounts; and
- Section 5.7 (Caution about climate metrics) and the 'Climate-related and other forward-looking statements and metrics' (page 65) of the NatWest Group's Climate-related disclosure report 2020.

## Other information – including our assurance approach

### Assurance

NatWest Group plc appointed EY to provide limited independent assurance over selected ESG content marked with (\*) within the 2020 ESG supplement as at and for the year ended 31 December 2020. The assurance engagement was planned and performed in accordance with the International Standard for Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. A limited assurance opinion was issued and is available on natwestgroup.com. This opinion includes details of the scope, respective responsibilities, work performed, limitations and conclusion.



**Read more:**  
**EY independent assurance statement**

### Name and address

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### Acronym guide

CET1	Common Equity Tier 1
COP15	15th United Nations Climate Change Conference of the Parties
COP26	26th United Nations Climate Change Conference of the Parties
CTP	Credible Transition Plan
ED	Executive Director
ELN	Employee Led Networks
EPC	Energy Performance Certificate
ESE	Environmental, Social and Ethical
ESG	Environmental, Social and Governance
EWRMF	Enterprise Wide Risk Management Framework
EY	Ernst and Young LLP
FCA	Financial Conduct Authority
FSC	Forest Stewardship Council
GDPR	General Data Protection Regulation
GFSN	Global Financial Services Norm
GHG	Greenhouse Gas
GHPN	Global High Performing Norm
GRI	Global Reporting Initiative
MaPS	Money and Pensions Service
MREL	Minimum Required Eligible Liabilities
MSA	Modern Slavery Act
MSHT	Modern Slavery and Human Trafficking
NET	National Emergencies Trust
PCAF	Partnership for Carbon Accounting Financials
PECF	Programme for the Endorsement of Forest Certification
PRA	Prudential Regulatory Authority
PRB	United Nations Principles for Responsible Banking

PRI	United Nations Principles for Responsible Investment
S&CC	Social & Community Capital
SBC	Group Sustainable Banking Committee
SBTi	Science Based Targets Initiative
SDG	United Nations Sustainable Development Goals
SME	Small and Medium Enterprise
SMI	Sustainable Markets Initiative
TCFD	Taskforce on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UNEP FI	United Nations Environment Programme Finance Initiative
UNESCO	United Nations Educational Science and Cultural Organisation
UNGC	United Nations Global Compact
WEF IBC	World Economic Forum International Business Council

NatWest Group plc

2020 Environmental, Social and  
Governance supplement

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