



## Section 172(1) of the Companies Act 2006

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

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

- NatWest Holdings Limited
- National Westminster Bank Plc
- The Royal Bank of Scotland plc
- Ulster Bank Limited
- NatWest Markets Plc
- [Coutts and Company](#)
- [RBS Collective Investments Funds Limited](#)
- [NatWest Trustee and Depositary Services Limited](#)
- [Adam and Company Investment Management Limited](#)
- [Lombard Business Leasing Limited](#)
- [JCB Finance Limited](#)
- [Lombard North Central PLC](#)
- [RBS Invoice Finance Limited](#)
- [RBS Asset Management \(ACD\) Limited](#)
- [RBS AA Holdings \(UK\) Limited](#)
- [Lombard Technology Services Limited](#)
- [RBS Asset Management Holdings](#)
- [The One Account Limited](#)
- [280 Bishopsgate Finance Limited](#)

## **NatWest Holdings Limited - 2019**

Please see the [2019 Annual Report and Accounts](#)

## **National Westminster Bank Plc - 2019**

Please see the [2019 Annual Report and Accounts](#)

## **The Royal Bank of Scotland plc - 2019**

Please see the [2019 Annual Report and Accounts](#)

## **Ulster Bank Limited - 2019**

Please see the [2019 Annual Report and Accounts](#)

## **NatWest Markets Plc - 2019**

Please see the [2019 Annual Report and Accounts](#)

## **Coutts and Company - 2019**

The Board's 2019 objectives prioritised stakeholder engagement, specifically understanding and considering the stakeholder voice in Board decision-making. During 2019 the Board undertook a variety of activities to engage with key stakeholders and bring their voice into the Boardroom. These activities were guided by a Board planning session which identified the Bank's key stakeholder groups. Further details are set out below.

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

### **Board Training and support on s.172(1) duties**

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

### **Clients**

Meeting the needs of clients is central to the Bank's long-term success and is a constant feature of Board discussions and decisions. Client Net Promoter Scores are regularly reviewed by the Board and Executive Committee, and represent a key performance metric. In addition, the directors meet a wide range of clients through the course of the year, at client events and individual meetings.

The Bank also operates a Client Council, bringing together circa 600 clients from across the spectrum of our client base. Through the Client Council, the Bank undertakes research several times a year, to better understand clients' views and to help it evolve in line with clients' needs.

### **Colleagues**

## **Our colleagues**

As at 31 December 2019, NWB had seconded 1,584 colleagues to Bank (2018 – 1,537) (full time equivalent basis, including temporary workers). Details of related costs are included in note 3 to the consolidated accounts.

## **Engaging our colleagues**

A highly engaged workforce is crucial in helping the Bank to achieve its vision to be the 'Best Private Bank in the UK'. To achieve this the Bank is striving to ensure it is a really great place to work.

Every year colleagues are asked to share their views on what it is like to work for the Bank, via a collective opinion survey. Over the last 3 to 4 years levels of engagement have improved year on year, with 2019 results being the most positive seen to date. Key measures of engagement, leadership and culture have increased further and the Bank is now ahead of Global Financial Services standards in almost all categories.

## **Colleague voice**

The Board promotes colleague voice in the Boardroom through a variety of channels, including the operation of an 'open chair', which provides the opportunity for junior colleagues to

attend Board meetings. The Bank also established a People Council in 2018 to represent colleagues at all levels and to act as custodian of the Bank's culture plan. The Council is made up of circa 50 individuals from across all parts of the Bank and is instrumental in shaping the agenda following the outputs of colleague surveys. It also provides an opportunity for the Executive Committee and Board to engage directly with colleagues and hear first hand about what it is like to work for the Bank, what is working well, where we could improve and any challenges we face.

## **Colleague consultation**

The Bank's work with the People Council is further supplemented by RBS Group's colleague listening strategy. A Colleague Advisory Panel (made up of circa 30 colleagues, including representation from trade unions, works councils, colleague volunteers and colleague led-networks, from across the Group), was established in 2018 and allows direct input from colleagues on a range of issues. The outputs of these sessions are also shared with the Bank.

## **Speak Up**

Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, RBS Group's whistleblowing service. The 2019 colleague opinion survey showed the highest ever score when asking colleagues if they feel safe to speak up, as well as understanding the process of how they do that. In 2019, 27 cases were raised in the Bank, compared to 19 in 2018. No systemic issues were identified.

## **Building a healthy culture**

The Board views building a high performing and healthy culture as also essential to the Bank's long-term success. The Bank's culture plan focusses on the themes of 'Our Way of Life', 'Our Potential' and 'Our Communities'. It is underpinned by the Bank's vision to be the 'Best Private Bank in the UK' and by 'Our Values'.

Our Values guide the way we serve our clients, how we manage and mitigate risk and they help us to focus on the long term rather than the short term.

Data from RBS Group's participation in the Banking Standard Board ('BSB') annual independent culture assessments further supports improving colleague sentiment and the building of a healthy culture. The data shows we have continued to make good progress, with improvements in all nine BSB categories.

The Bank also maintains a risk culture plan, aligned to the RBS Group's target of achieving a generative risk culture whereby "risk is simply part of the way people work and think".

### **Rewarding our colleagues**

Individual performance objectives are clearly linked to our vision and strategy. We take a balanced approach to managing performance that is linked to reward. This includes the conduct and behaviour of individuals in addition to financial performance. Delivering for our clients is key, as is the management of risk. This balanced approach to reward recognises both what the individual has achieved and how they have achieved it. The overall contribution is underpinned by Our Values and we hold colleagues and leaders to account for performance and behaviours both of themselves and their team.

### **Health and wellbeing of our colleagues**

Also part of our culture plan is 'Our Way of Life' - we believe that the wellbeing of colleagues forms a large part of making the Bank a great place to work. As an employer we want to make sure our colleagues have the right support to be healthy and happy at work and feel able to bring their whole self to work.

Within the Bank we have a network of over 90 Wellbeing Ambassadors. They are there for colleagues to reach out to and can provide practical support and advice. The Bank has a programme of events throughout the year that focus on physical, mental and financial wellbeing with a host of resources and tool kits available to colleagues.

### **Developing our colleagues**

At the heart of our culture plan is Our Potential – we believe everyone has the potential to grow, and the right to be supported to perform to the best of their abilities. We invest in the future with ongoing coaching, training, support and encouragement. Each individual has a personal development plan and core requirements for Continued Professional Development (CPD) are mandatory.

### **Community, Environment and Sustainability**

Another important element in our culture plan is 'Our Communities'. We care about the environment and our local communities and we encourage everyone to get involved in a bigger purpose and make a difference. Every colleague is able to take three days paid leave per year to volunteer in their local community or for a charity of their choice. We also encourage charitable donations through the use of payroll giving.

The Bank has a colleague nominated charity on which we focus fund raising efforts and events throughout the year. During 2019 the chosen theme was mental health.

We have a long and distinguished history of supporting philanthropic causes derived from the work of Angela Burdett-Coutts. Angela was a progressive 19th century philanthropist who was concerned with breaking cycles of poverty and the provision of basic human need. The Bank draws on this legacy through the work of the Coutts Charitable Foundation ('the Foundation'). The Foundation was established to support sustainable solutions which tackle the causes and consequences of poverty. The core focus of the Foundation is supporting women and girls in the UK.

The Board is committed to managing the wider social, environmental and economic impacts of the Bank's operations. This includes the way it deals with sustainability issues in its supply chain. RBS Group's Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to the Bank, are available on the Group's website ([www.rbs.com](http://www.rbs.com)).

The challenge posed by climate change is recognised by the Board. During 2019, activity was mobilised within the Bank to respond to the climate challenge. This included a client event in July 2019 focused on the climate crisis, with Sir David Attenborough, Bank of England Governor Mark Carney, Chair of the UK Committee on Climate Change Chris Stark and Sue Garrard, formerly of Unilever, all attending as guest speakers. Updates are being provided to the Board and the Bank is playing a full part in RBS Group's response to climate crisis. Details on RBS Group's response to climate change can be found within the RBS Group Annual Report & Accounts 2019.

## **Youth employment**

In September 2019 we welcomed 15 graduates into the Private Banking graduate scheme plus 9 interns over the summer for 10 weeks. Gender balance and diversity is critical for these schemes in order to support a balanced workforce for the future. In 2019 we had a 50:50 gender balance on both the graduate and intern schemes. To support an inclusive workforce and social mobility we hold two insight weeks per year to encourage young people from all backgrounds, gender and ethnicity to come along and find out about career options within the Bank. Following these weeks we offered 8 candidates a place on our Internship programme for 2020, of which 6 were female, 2 male and all were Black, Asian and Minority Ethnic ('BAME').

### Employment of people with disabilities

Within the RBS Group we have a network called Enable that is dedicated to making sure we are fully inclusive and that everyone is valued as an individual, regardless of disability.

In line with RBS Group policy, the Bank ensures that prospective candidates with disabilities are considered for employment. Once they become a colleague we are committed to training, career development and promotion based on merit. If a colleague becomes disabled during their career, it is the Bank's policy, wherever possible, to retain them in their existing role or to re-deploy to a more suitable role. Training is available for all line managers to help raise disability awareness across the Bank.

## **Inclusion**

We know that more diverse and inclusive organisations perform better – inclusivity is not only the right thing to do but there is a strong business case for it.

Our vision to be the Best Private Bank in the UK is dependent on having the best people that reflect our client base and wider society. It is therefore essential that we continue to build a diverse and inclusive organisation - this means that everyone has a seat at the table and everyone's voice is heard.

We have a strong and active Respect, Diversity and Inclusion Council ('RD&I Council') that is led by a group of colleagues who do a great job at grass roots level. The strands of the RD&I Council include faith, disability, ethnicity, age, gender, LGBT+ and social mobility.

The Board monitors diversity and inclusion, to check progress against key measures. Internal policies, such as on recruitment and promotion, support this agenda.

Following the change of employer to NWB for our colleagues, published metrics on the gender pay gap now form part of NWB's reporting, as these are determined by the legal entity employer. The Bank nonetheless remains committed to ensuring a balanced gender representation across roles

in the business. The RD&I Council continues to work towards helping the Bank achieve its goal of a gender balanced workforce by 2030.

## **Suppliers**

The Board recognises the key role suppliers play in ensuring the Bank delivers a reliable service to clients. During the year, the Board held a 'teach-in' session with RBS Group's Supply Chain Services function, which manages the Bank's material third party suppliers, and also considered a paper at Board regarding the framework for managing intra-group as well as third party suppliers. The Board will continue to focus on the provision of services to the Bank by its supplier community.

## **Regulators**

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

## **Shareholder**

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

How stakeholder interests have influenced decision making

The Bank's key stakeholders and the range of engagement methods used by directors to understand their views and interests are described above.

The Bank recognises the importance of engaging with stakeholders to help inform its strategy and Board decision-making. Relevant stakeholder interests, including those of colleagues, suppliers, customers and others, are considered by the Board when it takes decisions.

The Bank defines principal decisions as those that are material or of strategic importance, but also those that are significant to any of its key stakeholder groups.

In making its decisions, the Board considers the outcomes of relevant stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct, and to consider the long-term consequences of its decisions. An example of such a decision related to the approval of a discretionary investment to enhance parts of the Bank's premises at 440 Strand. Factors considered in the decision and options looked at, included: creating better client facilities, enhancing facilities for colleagues working in the building and meeting the needs of the Bank's shareholder. The Board also reviewed the potential impacts on tenants in the property's retail units and on the wider community, a further consideration being to ensure that any changes enhanced the immediate neighbourhood surrounding the building and was in keeping with the Bank's value of being a 'good neighbour'.

In reaching its decision, the Board was focused on ensuring that a solution was found that considered these stakeholder considerations and in a way that would reflect Coutts' commitment to developing as a sustainable and responsible business.

## **RBS Collective Investment Funds Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

## **Section 172(1) statement**

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

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

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

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including s.172(1), and were briefed on the reporting requirements introduced in section 414CZA of the Act.

RBS Group has introduced a new approach to board and committee papers with greater focus on ensuring relevant stakeholder interests are clearly articulated, and guidance on documenting decisions has been refreshed to ensure these are recorded in a consistent manner across RBS Group.

## **Key Stakeholders**

The Company's key stakeholders are: investors in the Funds ("customers"), RBS employees ("colleagues", being full time, part time, contractors and agency staff employed by RBS Group) engaged on RBS CIFL work, material suppliers such as the Investment Manager, Transfer Agents, Fund Accountants and the Depositary, as well as the Company's shareholder. These key stakeholders have been identified by virtue of contracts held by those stakeholders either directly with RBS CIFL or with the funds managed by RBS CIFL.

## **Customers**

Customers are at the heart of everything RBS Group does. The Board pays careful attention to the outcomes that the Company's funds deliver to its Customers, both in the ongoing oversight of the Investment Manager and other delegates, and also when considering changes necessary to the structure or objectives of the Funds. This was evidenced in the preparation for the changes made to the Funds during 2019, and the Board was reassured by the proportion of customers who chose to vote in favour of the changes proposed.

## **Colleagues**

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

RBS Group's Colleague Advisory Panel ("CAP"), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting RBS Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for RBS Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across RBS Group. Key themes from the results inform and shape people strategy. RBS Group also has ongoing discussion and engagement with

a number of employee representatives such as trade unions and work councils and regularly discuss developments and updates on the progress of strategic plans with the European Employee Council. Where colleagues wish to report any concerns relating to wrongdoing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, RBS Group's whistleblowing service.

RBS Group is proud to be building an inclusive bank which is a great place for all colleagues to work. RBS Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to an Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of The Royal Bank of Scotland Group plc and on rbs.com.

### **Service providers**

The Board recognises the key role service providers play in ensuring that the Company delivers a reliable service to customers. During the year, the Board held a 'teach-in' session with RBS Group's Supply Chain Services function, which manages the RBS Group's relationships with material service providers, and also received updates regarding the relationship with material service providers, such as the Depository, Risk Manager, Fund Administrators and Transfer Agents.

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

### **Shareholder**

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

### **How stakeholder interests have influenced decision making**

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

The Company defines principal decisions as those that are material or of strategic importance to the Company and also those that are significant to any of the Company's key stakeholder groups. In making the following principal decisions, the Board considered the outcomes of relevant stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct.

During 2019, a major review of the Company's material service providers was carried out. In addition to our service provider, key stakeholders considered were our customers and shareholder. A number of objectives were identified: enhancing service levels and investor experience; seeking economies of scale and reduced fees for customers, including to not pass on increased investment management fees to customers and simplifying our operating model, with associated benefits in terms of governance and control improvements. The review culminated in a consolidation of our different service providers, driven by an emphasis on quality of service as well as cost. Additionally, recent initiatives have sought to develop communications with our third party providers to improve the quality and timeliness of information flows.

Please refer to the Annual Report and Accounts of The Royal Bank of Scotland Group plc for further information on RBS Group's approach to stakeholder engagement.

## **NatWest Trustee and Depository Services Limited - 2019**

### **Directors' Duties and engagement with stakeholders**

#### **Section 172(1) statement**

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

#### **Board training**

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties as part of their induction programme. Directors also receive ongoing training on various topics throughout the year, for example competition law, anti-money laundering requirements and Client Money and Assets.

RBS Group has introduced a new approach to board and committee papers with greater focus on ensuring relevant stakeholder interests are clearly articulated. Additionally, guidance on documenting decisions has been refreshed to ensure these are recorded in a consistent manner across RBS Group.

#### **Key stakeholders**

The Company's key stakeholders are colleagues, authorised fund managers, third party providers (such as custodians and data suppliers), regulators and the Company's shareholder.

#### **Colleagues**

The Company values the input of its colleagues and actively seeks opportunities to engage with them to contribute to on-going dialogue and activities to make the Company a better bank for our customers and colleagues. The survey of colleague opinions, known as 'Our View', provides valuable data to decision makers across the Company in support of improving employee engagement and satisfaction. This progress is tracked through surveys during the financial year, utilising questions common across the financial services industry to compare ourselves against our peers.

The Company promotes flexible working for all colleagues. We help to facilitate flexible working and colleagues are able to avail of a range of flexible working options including regular or occasional working from home, working variable hours or working part time.

#### **Diversity and inclusion**

The Company has a Diversity and Inclusion Policy and values and promotes diversity in all areas of recruitment and employment. Building a working environment where all our colleagues can develop to their full potential is important to us irrespective of their age, belief, disability, ethnic or national origin, gender, gender identity, marital or civil partnership status, political opinion, race, religion or sexual orientation.

We work to avoid limiting potential through bias, prejudice or discrimination. The Company recognises the beneficial contribution of a diverse mix of uniquely talented individuals for the delivery of great service to our diverse customer base. Key principles of our Diversity and Inclusion Policy include that we attract, motivate and retain the best talent. We base the employment

relationship on the principles of fairness, respect and inclusion. We comply with local laws on equality and Our Code, which sets out the Company's expected behaviours and standards of conduct, to build and develop an inclusive workforce in order to understand and respond to our diverse customer base.

### **Developing our colleagues**

Ongoing professional development for our colleagues is important to the Company.

The Company offers a wide range of learning opportunities including technical knowledge and skills. We need to prepare colleagues for the future and we continue to focus broader development on our Critical People Capabilities.

We're committed to developing colleagues in the five key critical capability areas we have identified, that will help build the right knowledge, skills and behaviours, to help our colleagues stay relevant and employable, and support our ambition and purpose. In addition, we are encouraging agility and shifting mindsets so that a focus on the future, continuous learning, knowledge sharing and reflective practice becomes the norm.

### **Rewarding our colleagues**

Our approach to performance management provides clarity for our colleagues about how their contribution links to our ambition. It recognises contributions that support our values and holds individuals to account for behaviour and performance that does not.

### **Regulators**

The Board recognises the importance of open and continuous dialogue with regulators and receives updates on engagement the business has with them.

### **Shareholder**

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

### **Customers and suppliers**

Customers are at the heart of everything the Company does and the Board recognises the key role suppliers play in ensuring the company delivers a reliable service to customers.

The Company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Please see [rbs.com](https://www.rbs.com) for the Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to the Company

### **How stakeholder interests have influenced decision making**

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

The Company defines principal decisions as those that are material or of strategic importance to the Company and also those that are significant to any of the Company's key stakeholder groups. In making the following principal decisions, the Board considered the outcomes of relevant stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct.

The Board has approved initiatives being undertaken by the Company to modernise architecture and how data is dealt with, streamline operating model and improve controls and evolve the business model to become the depository of the future, all of which will benefit key stakeholders.

The Company aims to be a data driven depositary and to maximise use of data resources to enable provision of value add services to customers. During 2019, the Company changed one of their main suppliers of data services achieving significant cost savings for business, more functionality in service provision and the option to utilise other services available from that supplier in due course to align with the overall strategy.

## **Adam and Company Investment Management Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

#### **Engagement with suppliers, customers and others**

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

The Company's key stakeholders are: Adam & Company Investment Management Limited ("AIM") clients, employees of AIM and employees of RBS ('colleagues') who serve as our custodian, RBS Private Banking division staff who support the operating model, RBS Services in Zurich who provide back office and custody services, Avaloq who provide core technology operating platform, and the Company's shareholder.

#### **Engaging colleagues**

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

RBS Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting RBS Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for RBS Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across RBS Group, including the company. Key themes from the results inform and shape people strategy. RBS Group also has

ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discuss developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, RBS Group's whistleblowing service.

The Company is proud to be a member of RBS Group, which is building an inclusive bank and a great place for all colleagues to work. RBS Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities – LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to an Inclusive Culture. The Board monitors internal and external peer group surveys, from which action points are created to address any shortfall to inclusivity targets. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on rbs.com.

### **How stakeholder interests have influenced decision making**

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

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

Board changes – in November 2019, significant changes were made to the Board of Directors following the extension to the Senior Manager & Certification Regime to ensure that the regulatory responsibilities for entities impact by the extension were allocated at the appropriate level across RBS Group.

Dividend – an interim dividend of £10.98m was paid to the Company's shareholder in September, 2019. In approving the dividend payment, the directors considered the capital requirements of the Company and were satisfied that the Company had sufficient reserves for the dividend to be paid.

## **Lombard Business Leasing Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172(1), and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations

2018 in advance of the effective date. The Company has introduced a new approach to board papers with greater focus on ensuring relevant stakeholder interests are clearly articulated.

### **Engagement with suppliers, customers and others**

Customers are at the heart of everything the Company does and the Board recognises the key role suppliers play in ensuring the Company delivers a reliable service to customers. The Company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Please refer to [natwestgroup.com](http://natwestgroup.com) for the Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to the Company.

The Company's key stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services. These key stakeholders have been identified by virtue of contracts held by those stakeholders directly with the Company or its parent. The range of engagement methods used by directors to understand the various stakeholder views and interests include Net Promoter Scores, complaint volumes and the NatWest Our View survey.

### **How stakeholder interests have influenced decision making**

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

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

## **JCB Finance Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

## **Engagement with suppliers, customers and others**

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

## **Engaging employees**

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

## **How stakeholder interests have influenced decision making**

The Company recognises the importance of engaging with stakeholders to help inform strategy and Board decision making. Relevant stakeholder interests, including those of employees, are taken into account by the Board when it takes decisions. All decisions taken by the Board during the financial year were routine in nature but took account of relevant stakeholder interests, as appropriate. Please refer to the Annual Report and Accounts of the NatWest Group plc for further information on its approach to stakeholder engagement.

## **Lombard North Central PLC - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

## **Engagement with suppliers, customers and others**

Customers are at the heart of everything the Company does and the Board recognises the key role suppliers play in ensuring the Company delivers a reliable service to customers. The Company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Please refer to [natwestgroup.com](http://natwestgroup.com) for the Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to the Company.

The Company's key stakeholders are business customers of all sizes, from small family run businesses to large commercial enterprises, a panel of selected asset finance brokers, NatWest

Group employees (“colleagues”, being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services. These key stakeholders have been identified by virtue of contracts held by those stakeholders directly with the Company or its subsidiaries. The range of engagement methods used by directors to understand the various stakeholder views and interests include Net Promoter Scores, complaint volumes and the NatWest Group Our View survey.

### **Engaging colleagues**

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

The NatWest Group listening strategy includes a Colleague Advisory Panel (CAP), established in 2018, which meets twice a year and provides a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting the NatWest Group. Every year colleagues are asked to share their thoughts on what it’s like to work for the NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across the NatWest Group, including the Company. Key themes from the results inform and shape people strategy. Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group’s whistleblowing service.

The NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group’s inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture.

The Company built on the NatWest Group inclusion framework with a Diversity and Inclusion event for staff which raised its focus on gender balance. Reverse mentoring and inclusion workshops for leaders will ensure a continuing focus in 2020. Developing colleagues is seen as a key means to promoting the success of the Company and the majority of leaders have received coaching training to support team members and further coaching will take place in 2020 to support talent, capability and wellbeing.

### **How stakeholder interests have influenced decision making**

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

## **RBS Asset Management (ACD) Limited - 2019**

### **Directors’ Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172(1), and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date.

### **Engagement with colleagues, suppliers, customers and others**

The company is no longer actively trading and as such its key stakeholders are its sole shareholder and colleagues from the wider RBS Group that provide administrative support to the company. The Shareholder's perspective is provided through interactions at management and board levels and the company benefits from RBS Group's approach to colleague engagement. RBS Group has a well-established colleague listening strategy designed to provide an open channel for colleagues to share their views.

### **How stakeholder interests have influenced decision making**

The company recognises the importance of engaging with stakeholders to help inform the company's strategy and board decision making. Relevant stakeholder interests are taken into account by the board when it takes decisions. All decisions taken by the board during the financial year were routine in nature but took account of relevant stakeholder interests, as appropriate.

Please refer to the Annual Report and Accounts of The Royal Bank of Scotland Group plc for further information on RBS Group's approach to stakeholder engagement.

## **RBS Invoice Finance Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

articulated and guidance on documenting decisions has been refreshed to ensure these are recorded in a consistent manner across NatWest Group.

### **Engagement with suppliers, customers and others**

Customers are at the heart of everything the Company does and the Board recognises the key role suppliers play in ensuring the Company delivers a reliable service to customers. The Company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Please refer to [natwestgroup.com](http://natwestgroup.com) for the Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to the Company.

The Company's key stakeholders are business customers of all sizes, NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services. These key stakeholders have been identified by virtue of contracts held by those stakeholders directly with the Company or its subsidiaries. The range of engagement methods used by directors to understand the various stakeholder views and interests include Net Promoter Scores, complaint volumes, the NatWest Our View survey and Risk-led deep dives given at regular Company board meetings.

### **Engaging colleagues**

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

NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the Company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discuss developments and updates on the progress of strategic plans with the European Employee Council (EEC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service.

NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on [natwestgroup.com](http://natwestgroup.com).

The Company built on the NatWest Group's inclusion framework with a Diversity and Inclusion event for staff which raised its focus on gender balance. Reverse mentoring and inclusion workshops for leaders will ensure a continuing focus in 2020. Developing colleagues is seen as a key means to promoting the success of the Company and the majority of leaders within the staff body are accredited as Coaching Masters. Great Place to Work coaching will be implemented for all staff in order to support talent, capability and wellbeing in 2020.

### **How stakeholder interests have influenced decision making**

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

During the year the Board approved the introduction and implementation of a Transformation Programme to simplify processes and enhance customer experience. In making that decision, the Board took into account the impact this would have on its customers and colleagues as key stakeholders, and these in turn influenced their decision to take the Programme forward.

A decision was also taken to pay interim and final dividends to the Company's sole shareholder; the decision being made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on the Company's long term success.

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

## **RBS AA Holdings (UK) Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

#### **Engagement with suppliers, customers and others**

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

The Company's key stakeholders are its subsidiary companies who rely on the company for guidance, oversight and investment, and the NatWest Group Risk and Internal Audit functions. All subsidiary company boards adhere to a framework of expectations developed by the Company which governs the day to day operational and governance arrangements of subsidiaries, and their engagement with, reporting to and oversight by the Company. The company also holds a number of social impact investments where ESG ("Environmental, Social and Governance") criteria inform

investment decisions. Such investments actively contribute to the fulfilment of NatWest Group's purpose to champion potential, helping people, families and businesses to thrive.

The range of engagement methods used by directors to understand stakeholder views and interests includes periodic reports, business updates and Risk-led deep dives given at regular Company board meetings.

### **Engaging colleagues**

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

NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discusses developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service.

NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on natwestgroup.com.

### **How stakeholder interests have influenced decision making**

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

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

Please refer to the Annual Report and Accounts of NatWest Group plc (formerly The Royal Bank of Scotland Group plc) for further information on NatWest Group's approach to stakeholder engagement.

## **Lombard Technology Services Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

Section 172(1) of the Companies Act 2006 (Section 172) is one of the statutory duties that directors have and requires them to promote the success of the Company for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f). These include the long term consequences of decisions, colleague interests, the need to foster the Company's business

relationships with suppliers, customers and others, the impact on community and the environment and the Company's reputation.

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

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

### **Engagement with suppliers, customers and others**

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

The Company's key stakeholder is its sole shareholder, Lombard North Central plc, which manages the relationships with other stakeholders on behalf of the Company. The company's indirect stakeholders are customers, from medium sized commercial enterprises to large corporates, a panel of selected asset finance brokers, NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged on Company related work, and suppliers who support the Company in the provision of elements of its products and services. These key stakeholders have been identified by virtue of contracts held by those stakeholders directly with the Company or its parent. The range of engagement methods used by directors to understand the various stakeholder views and interests include Net Promoter Scores, complaint volumes and the NatWest Our View survey.

### **Engaging colleagues**

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

NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the Company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discuss developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service.

NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five

key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on natwestgroup.com.

### **How stakeholder interests have influenced decision making**

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

A decision was taken to pay a final dividend; the decision being made after careful consideration of the distributable reserves available to the Company and the effect of the distribution on the Company's long-term success.

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

## **RBS Asset Management Holdings - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

#### **Engagement with suppliers, customers and others**

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

#### **Engaging colleagues**

Engaging colleagues is crucial to the success of a company and the company benefits from NatWest Group's approach to colleague engagement. NatWest Group has a well-established

colleague listening strategy designed to provide an open channel for colleagues to share their views.

NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discusses developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service.

NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on natwestgroup.com.

### **How stakeholder interests have influenced decision making**

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

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

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

## **The One Account Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172(1), and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date. NatWest Group has introduced a new approach to board

and committee papers with greater focus on ensuring relevant stakeholder interests are clearly articulated and guidance on documenting decisions has been refreshed to ensure these are recorded in a consistent manner across NatWest Group.

### **Engagement with suppliers, customers and others**

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

The company's key stakeholders and the range of engagement methods used by directors to understand their views and interests are employees of NatWest Group plc including Finance, Legal, Group Tax and External Reporting, who contribute to the formation of the yearly statutory accounts of this company signed by directors and are also directly impacted by the operations of the company.

### **Engaging colleagues**

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

NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discuss developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service.

NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on [natwestgroup.com](http://natwestgroup.com).

### **How stakeholder interests have influenced decision making**

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

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

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

## **280 Bishopsgate Finance Limited - 2019**

### **Directors' Duties and Engagement with Stakeholders**

#### **Section 172(1) statement**

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

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

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

#### **Engagement with suppliers, customers and others**

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

#### **Engaging colleagues**

Engaging colleagues is crucial to the success of a company and the company benefits from NatWest Group's approach to colleague engagement. NatWest Group has a well-established colleague listening strategy designed to provide an open channel for colleagues to share their views. NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discusses developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service. NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on [rbs.com](http://rbs.com).

#### **How stakeholder interests have influenced decision making**

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

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