

Terms of Reference

Chair	An independent Non-Executive Director of NatWest Group plc (“NWG”)
Members	At least three independent Non-Executive Directors (including the Group SBC Chairman)
Attendees	<p>Group Chairman</p> <p>Three Double Independent Non-Executive Directors of the NatWest Holdings Limited Sustainable Banking Committee</p> <p>Group Director, Strategy & Ventures</p> <p>Group Chief Human Resources Officer</p> <p>Group Director, Communications & Corporate Affairs</p> <p>Director of Sustainable Banking</p>
Additional Invitees	<p>The Group Chief Executive Officer has a right of attendance at all meetings.</p> <p>Additional invitees or subject matter experts may be invited to attend or present to the Group SBC at the request of the Chairman.</p>
Quorum	Two members
Meeting Frequency	Approximately 5 committee meetings per annum and ad hoc as required.
Secretary	Corporate Governance
This Committee receives its authority from	Group SBC operates under delegated authority from the NWG Board
Purpose of this Committee	To support the NWG Board in overseeing, supporting and challenging actions being taken by management to run the bank as a sustainable business, capable of generating long term value for its stakeholders. Group SBC will support the NWG Board in overseeing the process of developing and embedding the Group’s purpose of championing potential, helping people, families and businesses to thrive.
Scope of this Committee’s oversight and responsibility	<p><u>1. Purpose oversight</u></p> <p>1.1 In the context of the Group’s published strategic targets, its commitment to the UN Principles of Responsible Banking (including progress against focus Sustainable Development Goals) and its committed alignment to the Blueprint for Better Business framework, the Group SBC will oversee purpose, specifically:</p> <p><u>1.1.1 Enterprise</u></p> <ul style="list-style-type: none"> • Receive and debate updates on how the relevant business areas are supporting the Group’s ambition to be a champion of start-ups, regional businesses, female/BAME-led business and social enterprises; and • Challenge management to consider how the Group can best create value for customers today and in the future, with a focus on key Enterprise segments. <p><u>1.1.2 Climate</u></p> <ul style="list-style-type: none"> • Receive and debate updates on the Group’s progress towards achieving its climate strategy ambitions including being a ‘leading bank in UK & ROI on addressing the Climate challenge’ covering operational, financing and sustainable funding progress. • Review management’s approach to climate strategy. • Oversee how the Group responds to investor expectations on ESG matters and to peer activity. <p><u>1.1.3 Learning & Capability</u></p>

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

2. Conduct & Ethics

2.1 Challenge management on ensuring the bank's commercial decisions remain safe and sound, with a focus on stakeholder impact and ethical decision-making.

2.2 Receive reports as required on managing reputational risk matters including ethical and social appetite positions, the conduct environment including updates on customer experience, supplier relations and data ethics.

2.4 Receive updates as required on the health and effectiveness of supplier relations and related supplier topics.

3. People and Culture

3.1 Oversee the action taken by management to engage today's workforce and build the workforce for tomorrow by supporting the development of relevant people-related strategies, recognising any notable differences between ring-fenced and non-ring-fenced bank culture.

3.2 Receive updates on progress (including internal reports and external benchmarking) and actions to drive the NWG Board approved culture, and monitor/challenge the progress on embedding plans on behalf of the NWG Board with the support of reporting from Risk and Internal Audit as well as HR.

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

3.4 Review the progress of the cultural change to building a 'Purpose Led Bank'.

4. Supporting long-term value creation

4.1 Receive and consider a Board Insights Pack which monitors progress against the Group's purpose priorities.

4.2 Proactively and responsibly consult and engage with relevant stakeholders to provide external perspectives and help promote stakeholder voice in the boardroom.

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

4.4 Review external sustainability reporting and disclosure as required.

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

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

Escalation

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

ToR last approved on

Group SBC 23 April 2020.

The Royal Bank of Scotland Group plc Board 29 April 2020.
