



NatWest  
Group

**Serving our  
customers  
every day**

**NatWest Group plc**

**2023 Environmental, Social and  
Governance Disclosures Report**

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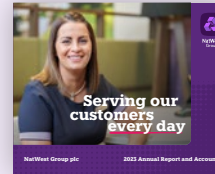
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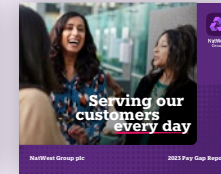
📱 Our 2023 reporting suite – available at [natwestgroup.com](https://natwestgroup.com)



Annual Report and Accounts



Climate-related Disclosures Report



Pay Gap Report



Sustainability Basis of Reporting

### Also included in our reporting suite:

#### ESG Frameworks Appendix

Our progress with reference to industry-wide sustainability standards: United Nations Principles of Responsible Banking Global Reporting Initiative Standards, World Economic Forum International Business Council Stakeholder Capitalism Metrics and Sustainability Accounting Standards Board Standards.

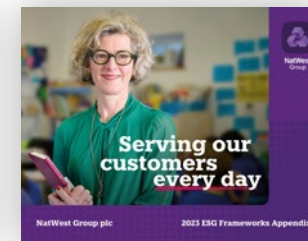
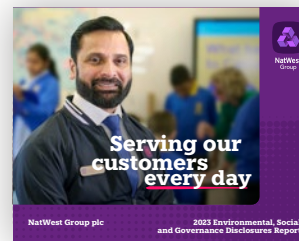
#### Sustainability Basis of Reporting

Our approach, scope, and controls for certain sustainability metrics included in the 2023 reporting suite. The definitions, scope and exclusions, and methods used to prepare these metrics has been used as the Reporting Criteria against which the measurement and presentation of these metrics was evaluated by Ernst & Young LLP (EY) as part of their assurance.

#### Non-financial information datasheet

Summarises our selected non-financial information data on our key ESG metrics.

### ESG Disclosures Report and ESG Frameworks Appendix



**On the covers:** Syed Zaidi (L) and Caroline Edwards (R), volunteering in a school as part of a MoneySense workshop. MoneySense, launched in 1994, is one of NatWest Group’s financial education programmes, supporting young people to learn about money. Syed is a lead personal banker for our Ilford branch. Caroline leads on social programmes and integrating financial wellbeing into our strategy and operations through her work.



# Serving our customers and communities every day

We're dedicated to serving our customers. By being there throughout their lives, we can build long-term value, invest for growth, make a positive contribution to our communities and drive attractive returns for shareholders. Our focus is to continue building a great bank, powered by great people and delivering fantastic service to our 19 million customers.

## Creating sustainable value





Our strategic framework

# 1.1 Serving our customers every day


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

**Our strategy is to grow our business by anticipating and meeting our customers’ needs, using data and technology to ensure we are simple to deal with, alongside a disciplined approach to cost, investment and capital allocation. Together these actions aim to deliver sustainable long-term value for our shareholders.**

 Supporting customers at every stage of their lives

 Simple to deal with

 Sharpened capital allocation

 Powered by people, technology, innovation and partnerships

 Read more in the Strategic Report in the NatWest Group plc 2023 Annual Report and Accounts.

## We are informed by the needs of our stakeholders

We aim to balance the different interests of our stakeholders in all decision-making




 Read more in the Strategic Report in the NatWest Group plc 2023 Annual Report and Accounts.

## Our values are central to how we work together to deliver our strategy


**Inclusive**  
**Curious**  
**Robust**  
**Sustainable**  
**Ambitious**

## Creating a positive impact


From supporting the day-to-day financial needs of 19 million customers to the other positive impacts we can have

 **Climate**  
We have made addressing the climate challenge and supporting our customers in their transition to net zero a key strategic priority.

 Read our 2023 Climate-related Disclosures Report.

 **Enterprise**  
Our ambition is to remove barriers to enterprise and to provide businesses in the UK the support they need to grow.

 Read more on pages 18 to 20.

 **Learning**  
We are helping people to take control of their finances, to make the most of their money, safely and securely – now and in the future.

 Read more on pages 13 to 16.



## 1.2 Chief Financial Officer's review



**‘The reciprocal relationship between our business and the communities we serve forms the essential social licence under which we operate.’**

### Focusing on our customers

The financial sustainability of our business is inherently linked to our ability to create value for our shareholders and wider stakeholders. Throughout 2023, our strong financial performance and robust balance sheet enabled us to deliver positive outcomes for our customers, shareholders, communities, and colleagues.

As one of the largest UK banks, and its biggest bank for business, we have a major role to play in the economic and social prosperity of the country. The reciprocal relationship between our business and the communities we serve forms the essential social licence under which we operate. We therefore maintained our focus in 2023 on a broad range of initiatives that materially benefit people, families, and businesses across the UK.

Through our ongoing commitments to financial wellbeing and education – with services such as our free Financial Health Checks, tools such as Know Your Credit Score, or schemes such as MoneySense, NatWest Thrive and our Financial Foundations workshops – our aim is to play a vital role in enabling financial awareness and inclusion. Likewise, our backing of grass-roots enterprise – whether that was through our mentoring scheme Digital Boost, our championing of inclusive entrepreneurship, our support for social enterprises, or through our Regional SME Taskforce – is a crucial way for us to contribute socially, knowing that a thriving UK economy is good for people and ultimately our business.

Through our 13 Accelerator hubs we supported over 1,300 entrepreneurs during 2023, offering access to business expertise and a community of like-minded peers. In August 2023, we also launched the Entrepreneur Hub: a single point of entry to our online enterprise support across our NatWest Group brands.

Elsewhere, our ESG ratings advisory service is a key element of NatWest Group's Commercial & Institutional ESG offering, providing analysis, and insights on the maintenance of ESG ratings to our Financial Institutions; Sovereign, Supranational and Agency; and corporate clients. The engagement with our clients aims to provide useful insights on ESG ratings, helping them to improve their ESG reporting and sustainability performance.

### Governance and risk management

In 2023, the Board maintained its close oversight of the business through regular reports from our business segment CEOs. This included spotlights on topical matters, including cost of living challenges and how the bank has been supporting colleagues and customers. The Board also oversaw the preparation for, and implementation of, the Consumer Duty requirements, which came into effect on 31 July 2023.

We developed a new risk acceptance criterion for a range of sectors with heightened risk around human rights and modern slavery. The Board also approved NatWest Group's seventh Modern Slavery and Human Trafficking Statement and our salient human rights issues. Creating a responsible supply chain continues to be an area of Board focus, with our refreshed Supplier Charter designed to provide better support on the principles and expectations of our suppliers.

In the summer of 2023, we faced some challenging circumstances in relation to customer exit decision-making, which led to our former Group CEO stepping down from her position. The Board subsequently commissioned an independent review to identify the facts regarding the events and the handling of our clients' accounts. We are currently implementing the recommendations from the review and making the necessary additional changes to ensure that we deliver better outcomes for all our customers in the future.

### The evolving regulatory landscape

There is growing demand for non-financial disclosures to provide greater transparency on a company's impacts and its dependencies on people and the environment. New and emerging social, commercial and economic trends are shaping our customers' financial lives and there are important opportunities to transform our relevance and value to customers. We continue to take the evolving landscape into consideration, and we are focused on developing our understanding of emerging topics of interest to our stakeholders, from the social impacts of lending, nature and biodiversity to AI and ethical use of data.

We continually monitor developments in reporting standards, including the International Sustainability Standard Board (ISSB) and the Taskforce for Nature-related Financial Disclosures (TNFD), that will influence how we report our approach to materiality assessments, enhance our assessments of financially material topics, and consider the impacts that we have on people and the environment. These developments are welcome, and we look forward to building enhanced capabilities that will provide improved insight on risks and opportunities to support our decision-making.

**Katie Murray**  
Chief Financial Officer



# Serving our customers and communities every day

## Metrics and targets

The indicators, metrics and targets used to assess, monitor and manage ESG topics.

### 2.1 ESG highlights at a glance

## Caution about the information in this ESG Disclosures Report

### Note on materiality

The below should be considered when assessing and referencing materiality in the context of this report. Our public disclosures, including our voluntary environmental, social and governance (ESG) disclosures in this report, include a range of topics that we believe are relevant to our businesses and that are of interest to investors and other stakeholders. For the purposes of complying with our annual, periodic and interim disclosure obligations in the United Kingdom and the United States, we apply a materiality standard based on the applicable rules and regulations governing public reporting in the United Kingdom and the United States. However, in our voluntary ESG disclosures, we have adapted our approach to materiality based on both the subject matter and purpose of the disclosures.

In particular, when we believe that doing so may allow us to better address sustainability-related matters of interest to our key stakeholders, our approach to these disclosures may sometimes have regard to broader understandings of materiality based on certain external frameworks and reporting guidelines that take into consideration a wider range of factors relevant to ESG disclosures, including the views of our key stakeholders. To accommodate this approach to materiality, we may occasionally

have regard to new or proposed frameworks and standards (or parts of them) when we believe that doing so may allow for a better understanding of our sustainability disclosures.

Certain parts of this report – such as the climate-related disclosures – may use longer time frames to assess potential impacts than those time frames customarily used in certain of our other disclosures, including our annual, periodic and interim financial reports filed with the London Stock Exchange (“LSE”) in the United Kingdom and the Securities and Exchange Commission (“SEC”) in the United States.

This approach to materiality means that this report, and many of our voluntary ESG disclosures, including with respect to climate and sustainability-related risks and opportunities, include certain information that we have not included in our LSE and SEC filings for which we use a different approach to materiality. Our approach to materiality in this report also means that statements made in this report and in our other voluntary ESG disclosures use a greater number and level of assumptions and estimates than many of our LSE and SEC filings. These assumptions and estimates are subject to change over time, and, when coupled with the longer time frames used in these

disclosures, make any assessment of materiality inherently uncertain. The information in this report includes non-financial metrics, estimates or other information that are subject to significant uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and/or underlying data that is obtained from third parties, some of which cannot be independently verified.

As a result, we expect that certain disclosures made in this report may be amended, updated, recalculated and restated in the future as the quality and completeness of our data and methodologies continue to improve.

### Caution about Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are a collection of 17 non-legally binding interlinked global goals set forth by the UN for countries and governments. These are included only as indicative guidance for NatWest Group’s ambition to align to its strategy to the UN Sustainable Development Goals and NatWest Group makes no representation, warranty, or assurance of any kind, express or implied, or takes no responsibility or liability as to whether NatWest Group’s strategy furthers the objective or achieves the purpose of the indicated SDG.

## 2.1 ESG highlights at a glance

Climate, enterprise, learning and diversity, equity and inclusion (DE&I) 2023 highlights at a glance.

### Climate<sup>(1)</sup>



**£61.9 billion<sup>(\*)</sup>**

cumulative contribution towards £100 billion climate and sustainable funding and financing target<sup>(2)</sup> including £3.9 billion of lending to A and B EPC-rated residential properties since January 2023. 2022: £32.6bn

**90%**

of our loans and investments<sup>(3)</sup> exposure as at 31 December 2022 analysed for financed emissions measurement.

**Four out of nine**

sectors are aligned to decarbonisation convergence pathway.<sup>(4)</sup>

**£0.4 billion<sup>(\*)</sup>**

exposure to oil and gas major customers<sup>(5)</sup> (2022: £0.9bn.)

**£0.3 billion<sup>(\*)</sup>**

exposure to in-scope coal customers<sup>(6)</sup> (2022: £0.3bn.)

**49%**

of Managed Assets were considered portfolio aligned to a net-zero pathway as at 31 December 2023 against our ambition of 70% by 2030.<sup>(6)</sup>

**54%**

reduction in Scope 1 and location-based Scope 2 emissions and 26% reduction in Scope 3 operational value chain emissions against SBTi validated targets for a 50% reduction by 2030.<sup>(7)</sup>

### Enterprise



**301,000<sup>(\*)</sup>**

interventions delivered to start, run, and grow a business against a target of 275,000 in 2023. 2022: 269,000 interventions (target: 250,000)

**57,000<sup>(\*)</sup>**

number of youth interventions against a target of 50,000 in 2023. 2022: 48,000 interventions (target: 30,000)

**45,000<sup>(\*)</sup>**

individuals and businesses supported by enterprise programmes against a target of 35,000 in 2023. 2022: 53,000 individuals and businesses (target: 35,000)

**75%<sup>(\*)</sup>**

of those supported based in regions outside London and South East England, against a target of 75%.<sup>(8)</sup> 2022: 90% (target: 75%)<sup>(1)</sup>

**55%<sup>(\*)</sup>**

of support provided to women against a target of 50%.<sup>(9)</sup> 2022: 59% (target: 50%)

**34%<sup>(\*)</sup>**

of support provided to people from an ethnic minority background against a target of 20%.<sup>(9)</sup> 2022: 34% (target: 20%)

### Learning



**18.4 million<sup>(\*)</sup>**

financial capability interactions (including MoneySense, Financial Health Check (FHC), Know Your Credit Score (KYCS) and Spending Features) delivered between 2020 and 2023 against a target of 15 million by 2023.<sup>(9,10)</sup>

**2.3 million<sup>(\*)</sup>**

additional customers helped to start saving between 2020 and 2023 against a target of 2 million by 2023.<sup>(11,12)</sup>

**c.6 million<sup>(\*)</sup>**

customers helped to manage their financial wellbeing (FHC, KYCS, Saving goals, Round Ups and Spending features) against our ambition to help 10 million people, per year, manage their financial wellbeing by 2027.<sup>(13)</sup>

### DE&I



**41%<sup>(\*)</sup>**

women in our CEO-3 and above global roles (2021: 38%, 2022: 40%).<sup>(14)</sup> Our target is full gender balance in CEO-3 positions and above globally by the end of 2030.

**13%<sup>(\*)</sup>**

colleagues from ethnic minority backgrounds in our CEO-4 and above UK roles (2021: 11%, 2022: 11%). Our target is to have 14% of colleagues from ethnic minority groups in CEO-4 and above positions in the UK by the end of 2025.

**1.9%**

of colleagues who identify as Black in the UK in CEO-5 and above roles. (2021: 1.5%, 2022: 1.5%) Our target is to reach 3% by end of 2025.

**40%**

of NatWest Group Board members are women (as at 31 December 2023).

**One**

member of the NatWest Group Board is from a minority ethnic background (as at 31 December 2023).

(1) Our climate ambitions are unlikely to be achieved without timely and appropriate government policy, technology developments, as well as supplier, customer and societal response.  
 (2) Between 1 July 2021 and the end of 2025.  
 (3) Loans and investments relate to on-balance sheet gross lending and investment exposure, accounted at amortised cost (including finance leases) and FVOCI.  
 (4) Based on 2022 emissions, reflecting sectors included in our Climate transition plan. Refer to section 2.3 of our 2023 Climate-related Disclosures Report for details.  
 (5) Our Credible Transition Plan (CTP) assessment undertaken in 2021, which is monitored annually, employed a top-down approach to identify existing coal-related customers, utilising the expertise of our frontline teams. However, we recognise that this was a point-in-time assessment and ongoing work is required to ensure due consideration to external factors such as energy security. During 2024, we are working to review our ESE policies and have set up a working group within the Commercial & Institutional franchise to develop guiding principles for assessment of thermal and lignite coal embedded within activities like transportation, storage, supply chain and value-add services.  
 (6) Our net zero by 2050 AUM ambition encompasses total AUM, including Managed Assets, Bespoke and Advisory (refer to 2023 Climate-related Disclosures Report page 76 for details). We consider Managed Assets (those assets we invest on our customers' behalf, which represented 84% of AUM as at 31 December 2023) to be in scope for our interim 2030 portfolio alignment target and weighted average carbon intensity (WACI) ambition.

(7) Against a 2019 baseline. Scope 3 emissions relating to our operational value chain only. See sections 2.7 and 5.1 of 2023 Climate-related Disclosure Report for further details. Scope 3 Category 15 financed emission is covered in section 5.2 and 5.3 of our 2023 Climate-related Disclosure Report.  
 (8) Demographics cover uniquely supported individuals and young people supported.  
 (9) Excludes additional initiatives in 2023 included in 2022 and 2021 (including savings goals, direct regular savers & investing journey).  
 (10) Spending features has been measured based on customers that have accessed spending at least twice or more in the last 90 days as at 30 September 2023 following app enhancements which changed the measurement criteria.  
 (11) Includes instances where customers had existing savings with other banks and transferred them into a NatWest Group account.  
 (12) Includes an additional 144,000 customers for 2021 and 2020. The customers helped to start to save criteria were revised in April 2022 to reflect products aligned to the ambition.  
 (13) Spending features has been measured based on customers that have accessed spending at least twice or more until 30 September 2023. During Q4 2023 the location of the spending feature within the mobile app changed following app enhancements which lead to us changing the measurement criteria in Q4 to align to the new location.  
 (14) To maintain integrity, we remove colleagues from our reporting that sit in CEO-3 and above that do not hold leadership or influential roles.  
 (\*) Within the scope of EY assurance. Refer to page 63.




2.1 ESG highlights at a glance continued

# ESG highlights at a glance

A selection of our 2023 ESG highlights seen through the Blueprint for Better Business lens.

## Honest and fair with customers and suppliers

|  |  |  |   |
|--|--|--|---|
| <p><b>67%<sup>(*)</sup></b><br/>of customers exclusively use digital channels.</p> | <p><b>0.6 million</b><br/>financial health checks carried out in 2023, helping customers to organise their finances.<sup>(1)</sup></p>  | <p>NatWest Group won the <b>Fast Payer Award</b> for the third year running.</p> | <p>First bank in Europe to issue a bond with dedicated use of net proceeds to support businesses identified as women-led. The nominal value of the bond was <b>€500 million (£446 million)</b>.</p> |
|--|--|--|---|


## A good citizen

|  |   |  |  |
|--|---|--|--|
| <p>Know Your Credit Score, free to anyone across the UK, has been used <b>4.2 million</b> times by <b>0.8 million</b> new customers in 2023.</p>  | <p>Direct community investment in 2023 amounted to <b>£11.1 million<sup>(*)</sup></b>. This includes the funding we make available to support colleague giving and the direct costs of delivering our community programmes. (2022: £13.6 million)</p>  | <p>Our card payment provider for businesses, Tyl, donated over <b>£250,000</b> to charity.</p> | <p><b>125,000 hours</b> were volunteered to local communities by our colleagues. Good causes received over <b>£3.8 million</b> through their giving and fundraising.</p> |
|--|---|--|--|

## A responsible and responsive employer

|   |   |  |  |
|---|---|--|--|
| <p>Over <b>1,500 colleagues</b> have acted as Wellbeing Champions, continuing to be upskilled in supporting colleagues.<sup>(2)</sup></p> | <p><b>UK mobility hub</b> supported nearly 2,000 colleagues impacted by change programmes, helping them to upskill, reskill and find alternative opportunities.</p> | <p><b>Partner leave</b><br/>We launched our market-leading Partner Leave polices, with over 1,200 colleagues benefitting in 2023.</p>  | <p><b>Our View colleague engagement survey</b><br/>93% of colleagues told us that they believe NatWest Group promotes an inclusive culture. We are 10% above the Global Financial Services Norm (GFSN) and 7% above the Global High Performance Norm (GHPN).</p> |
|---|---|--|--|

## A guardian for future generations

|   |  |  |  |
|---|--|--|--|
| <p>We have supported <b>15,500</b> young people in 2023 through our <b>CareerSense Programme</b>.</p> | <p>We supported <b>over 2,000 young people</b>, across 63 youth clubs through NatWest Thrive, our financial wellbeing and life readiness programmes, helping them consider their future goals and teaching them about good money habits.</p> | <p><b>1.1 million</b> young people reached through the MoneySense schools programme during 2023.</p>  | <p>We implemented and refined our <b>Climate transition plan</b> focused on the delivery of our 2030 decarbonisation ambitions, supporting our journey to net zero by 2050 across our financed emissions, assets under management and our operational value chain.</p> |
|---|--|--|--|

(1) This reflects the measurement criteria for the financial capability metric which is inclusive of digital Financial Health Checks.  
 (2) Colleagues means all permanent employees and, in some instances, members of the wider workforce, e.g. temporary employees and agency workers.  
 (\*) Within the scope of EY assurance. Refer to page 63.



# Serving our customers and communities every day

## Strategy

Building value through our broad range of activities for customers, businesses, communities and people.

### 3.1 Key ESG topics for our stakeholders

### 3.2 Collective action

#### Supporting our customers and communities

3.3 Building financial capability and wellbeing

3.4 Supporting financial inclusion

3.5 Supporting business and enterprise

3.6 ESG support for large corporate and institutional customers

3.7 Private banking and responsible investing

3.8 Accessibility and good customer outcomes

3.9 Innovation and digitalisation

3.10 Keeping our customers and their information safe

3.11 Developing our approach to nature

3.12 Supporting communities through giving

#### Supporting our colleagues

3.13 Championing our colleagues' potential

3.14 Performance management, fair reward and engagement

3.15 Diversity, equity and inclusion

3.16 Supporting colleague wellbeing

#### Supporting our suppliers

3.17 Engaging our suppliers

3.18 ESG ratings performance

# 3.1 Key ESG topics for our stakeholders

**Our approach to identify key ESG topics for our stakeholders**

Our approach to our ESG materiality assessment is to conduct a 'full refresh' of our ESG topics every three years through engaging with our key stakeholder groups. During 2023, following a full refresh in 2021, we reviewed our key topics through consideration of peer reviews, internal megatrends analysis, sustainability frameworks, industry ESG developments, and insight sessions with external experts.



















The table below includes our key ESG topics which are underpinned by robust risk management, business ethics and corporate governance. Our approach to consider a broad range of ESG topics guides our thinking and decision-making, ensuring we remain focused on the right issues and build long-term value in our business. We'll continue to engage with our stakeholders to re-evaluate our key ESG topics regularly.

Our progress against each of the key ESG topics identified varies, as reflected in the related disclosures. In addition to the topics listed below, we have identified emerging topics which we will continue to work on, and further develop our ability to measure and deliver against our stakeholder expectations. These include nature and biodiversity, social impacts of lending, and artificial intelligence and ethical use of data.

## Our key ESG topics

**Key ESG topic** material to our stakeholders are identified by this icon throughout this report

-  Communities
-  Investors
-  Customers
-  Suppliers
-  Colleagues
-  Regulators

| Dimension/lens                       | Key ESG topics  | Relevance for stakeholders  | Reference to ESG Disclosures Report pages and other disclosures | Refer to page(s) |
|--------------------------------------|---|---|---|------------------|
| <b>Human Capital</b>                 | Diversity, equity and inclusion   |          | Diversity, equity and inclusion                                 | 42 to 43         |
|                                      | Colleague learning, wellbeing and fair reward   |    | Championing our colleagues' potential                           | 38 to 40         |
|                                      |   |   | Performance management, fair reward and engagement              | 41               |
|                                      |   |   | Supporting colleague wellbeing                                  | 44               |
| <b>Social Capital</b>                | Good customer outcomes  |          | Fair products and responsible marketing                         | 25 to 26         |
|                                      |   |   | Customers in vulnerable situations                              | 27               |
|                                      |   |   | Keeping our customers and their information safe <sup>(1)</sup> | 33 to 34         |
|                                      |   |   | Financial crime   | 54               |
|                                      | Financial Inclusion through enterprise and financial capability   |     | Building financial capability and wellbeing                     | 13 to 16         |
|                                      |   |   | Supporting financial inclusion                                  | 17               |
|                                      |   |   | Supporting enterprise   | 18 to 20         |
| Human rights and modern slavery      |    | Human rights  | 57  |                  |
| <b>Business Model and Innovation</b> | Delivering products and services powered by innovation, digitalisation and accessibility  |    | An accessible bank by design                                    | 28 to 29         |
|                                      |   |   | Innovation and digitalisation                                   | 30 to 32         |
|                                      | Creating a responsible supply chain   |    | Engaging our suppliers  | 45               |
|                                      | Climate action and resilience   |     | Read our Climate-related Disclosures Report                     | Full report      |

(1) Keeping our customers and their information safe encompasses sub-topics of Data protection; and Safeguarding customer privacy.



## 3.2 Collective action

We take collective action through our signatory status, memberships and accreditations to move forward as a responsible business. In collaboration with our partners, we have progressed a number of key initiatives throughout 2023.

### Signatories

#### UN Global Compact (UNGC)

During 2023, we continued our participation in the UN Global Compact (UNGC), remaining as members of the Making Global Goals Local Working Group and the Modern Slavery Working Group. We continue to actively monitor UNGC’s reporting requirements.

#### UN Principles for Responsible Banking (PRB)

We were founding signatories of the PRB in 2019 and our ambition is to align our strategy with the 2015 Paris Agreement and UN Sustainable Development Goals (SDGs). In 2023, we continued our support for the Net-Zero Banking Alliance (NZBA) and announced a new ambition for financial wellbeing, baselined and SDG-aligned in line with PRB Target setting guidance.

#### HM Treasury Women in Finance Charter

Our Executive Sponsor for Gender, David Lindberg (CEO, Retail Banking), is part of the ‘Accountable Executive Taskforce’ for the Charter. We’ve utilised the Women in Finance Blueprint, alongside other external benchmarks, to support the delivery of the improvements and associated behaviour change required and remain focused on the interventions that will make the most difference.

#### Net Zero Asset Managers initiative

Our net zero by 2050 AUM ambition encompasses total AUM, including Managed Assets, Bespoke and Advisory. To reach net zero we have two 2030 ambitions: to align 70% of Managed Assets to a net-zero pathway and to reduce the weighted average carbon intensity of our equity and fixed income holdings by 50% against a 2019 baseline. As at 31 December 2023, 49% of Managed Assets were considered to be portfolio aligned.

### Memberships

#### Sustainable Homes and Buildings Coalition

In 2023, we completed our Greener Homes Retrofit Pilot with the Sustainable Homes and Buildings Coalition, culminating in the third ‘Home is Where the Heat Is’ report, launched in the Parliament in September 2023. As part of this, we took nine NatWest and British Gas customers through a fully funded end-to-end home retrofit journey, which provided valuable insights into customer, market, industry, financial and policy barriers to retrofitting.

[Read the ‘Home Is Where the Heat Is’ report.](#)

#### International Capital Markets Association (ICMA) – NatWest Markets

NatWest Markets is a member of ICMA and contribute to several of their working groups, such as those on ESG indices, climate transition finance, and sustainability-linked bonds. We helped review and update the ICMA’s Climate Transition Finance Handbook, which provides guidance on how green bonds, sustainability bonds or sustainability-linked bonds can contribute towards transition strategy, and Sustainability-Linked Bond Principles, both published in June 2023.

#### Sustainable Markets Initiative (SMI)

NatWest Group continued to support the Sustainable Markets Initiative and at the SMI’s Terra Carta Action Forum at COP27, we hosted an event in partnership with the SMI Agribusiness Task Force WWF-UK and Sustainable Food Trust, which was designed to drive powerful collaboration across industries and sectors to find the right solutions for farmers to tackle climate change.

### Accreditations

#### Global Living Wage

We are proud to be accredited as a Living Wage Employer by the Living Wage Foundation, demonstrating our commitment to paying wages that meet the true cost of living in the UK, our rates of pay continue to exceed the Living Wage Foundation benchmarks. For our hubs outside the UK, we continue to pay above the minimum and living wage rates. In 2023, we furthered our commitment to fair pay by achieving accreditation as a Regional Living Wage Employer from the Fair Wage Network and are now recognised as a Global Living Wage Employer. This demonstrates how we take steps, in every location we operate, to ensure our colleagues are paid enough to have a decent standard of living, including food, water, housing, education, healthcare, transport, clothing and other essential needs, such as provision for unexpected events.

#### B Corp – Coutts only

Coutts was the first UK-headquartered private bank to become B Corp-certified in 2021. A B Corp is a business that works towards meeting standards of verified social and environmental performance, public transparency and accountability to balance profit and purpose. In order to become a B Corp, a business receives an external accreditation by achieving a minimum verified score on the B Impact Assessment – a rigorous assessment of a company’s impact on its governance, workers, customers, community, and environment.

#### CIPD

We were the first financial services organisation to become a CIPD People Development Partner (PDP). NatWest Group is strongly aligned with the CIPD Profession Map, which is principles-led, evidence-based and outcomes-driven. We have delivered sessions to help colleagues understand the map and where their roles sit within it, alongside supporting Senior Leaders gaining their accreditation. We also participated in a ‘data boot camp’ as part of our ambition to develop future skills.

3.2 Collective action continued

### United Nations Sustainable Development Goals (UN SDGs)

As signatories of the UN Principles for Responsible Banking (PRB), our ambition is to align our strategy with the 2015 Paris Agreement and the UN Sustainable Development Goals (SDGs).

In 2023, we met our financial capability and savings ambitions which were measured from 1 January 2020 to 31 December 2023. In July 2023, we announced our ambition to help 10 million people, per year, manage their financial wellbeing by 2027, continuing our long-standing focus on building financial confidence and resilience. The new ambition, which encompasses interactions such as financial health checks and customer savings goals, strives to make a positive impact towards SDGs 1.4, 8.10, and 10.2. Find out more about our new financial wellbeing ambition on page 13.

Our Climate, Enterprise and Learning ambitions strive to make a positive impact towards the following SDGs:



[Read more on how we integrate the SDGs at natwestgroup.com](#)

[Read our PRB self-assessment report in our 2023 ESG Frameworks Appendix.](#)

#### Young SDG Innovator Group Spotlight

Four young women from across NatWest Group came together to undertake a 10-month Young SDG Innovator challenge with the UK’s UN Global Compact network. Undertaking training and through in-person and virtual sessions, the team benefited from working with other young people representing businesses big and small across the UK. With the primary aim of supporting advancement of the SDGs, the team worked with an internal sponsor and mentors to consider how it could improve sustainability, focusing on the addition of an education section to our Supplier Charter.

‘The UNGC Young SDG Innovator Challenge taught me so much about the different SDGs, what they mean and how we can apply them to our organisations regardless of industry. Getting to work with numerous different organisations to innovate and challenge our thinking allowed us to come up with a solution that benefits NatWest Group. The programme also taught us soft skills, such as creating an effective pitch and gathering and giving practical feedback. Working with three other colleagues from completely different business areas allowed us to have diversity of thought and different perspectives when creating our idea. I am very grateful for my time on the programme and I feel like it has allowed me to focus more on the SDGs when completing different projects.’

**Lillie Hudson**  
UNGC Young SDG Innovator Challenge Participant



### Industry engagement

#### Transition Plan Taskforce (TPT)

The TPT aims to support the standardisation of transition plans, which will support decarbonisation. Our CFO sits on the steering group, enabling us to support the development and implementation of the UK’s Sustainability Disclosure Requirements. Additionally, our Head of Climate Change chairs the TPT Banks Working Group.

#### Glasgow Financial Alliance for Net Zero

As a founding member of GFANZ we continue to collaborate with peers, policymakers and other stakeholders. Our CEO is a principal and we co-lead the Energy and Real Economy Transition Plan. We also continued to engage with NZBA, contributing to, and participating in, quarterly plenary calls on members’ progress towards NZBA commitments.

#### Global Sustainability Standards Board (GSSB)

Through our participation in the GSSB Banking Sector Standards programme we are working with other international experts to develop sector standards which will support the GRI Standards for banks’ sustainability disclosures.

#### Financial Markets Standards Board (FMSB)

We chair the FMSB ESG Committee where we have initiated an industry-wide working group to define ‘best-in-class’ consistent product governance around Sustainability Linked Products across the banks and appropriateness for companies.

#### Supporting developing frameworks

We continued our active participation in the development of global and local sustainability good practice, guidance frameworks and regulation during 2023. Some examples include providing feedback to the following public consultations:

- International Sustainability Standards Board (ISSB) consultation on its two-year work plan priorities.
- Financial Conduct Authority (FCA) consultation on UK Sustainability Disclosure and Green Labelling Requirements.
- Department for Energy Security & Net Zero (DESNZ) Call for Evidence on Scope 3 Emissions in the UK Reporting Landscape.

# Supporting our customers and communities

At NatWest Group, we champion potential, helping people, families, and businesses to thrive. Our strategy is to grow our business by anticipating and meeting our customers' needs, using data and technology to ensure we are simple to deal with, alongside a disciplined approach to cost, investment and capital allocation. Together these actions aim to deliver sustainable long-term value for our shareholders.

Summarised on this page are some of our key propositions aimed at supporting customers and communities.<sup>(1)</sup>

## Supporting our

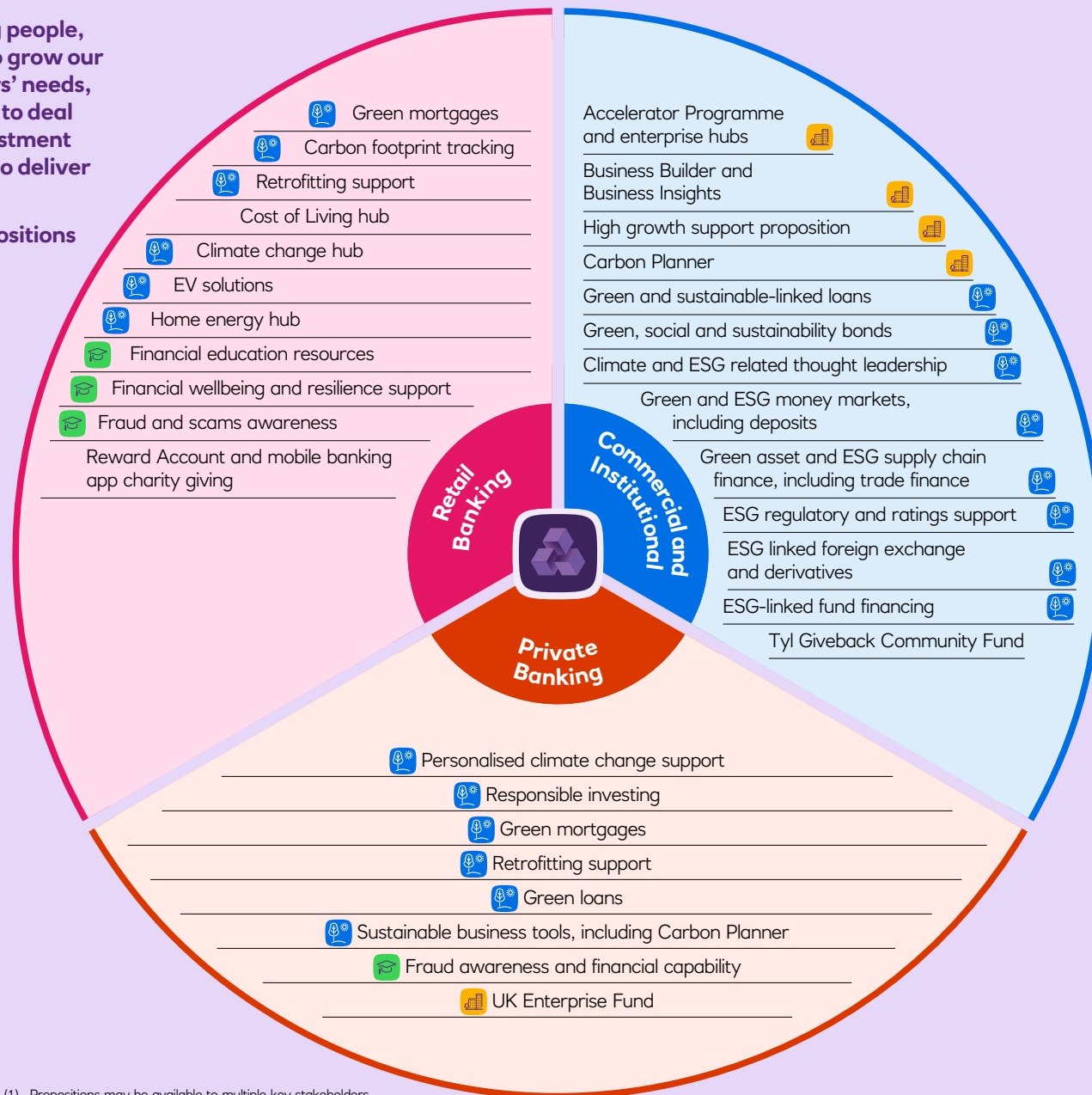
- Customers
- Communities

## Creating a positive impact through

- Climate
- Enterprise
- Learning

## Enabled by our strategic priorities

- Supporting customers at every stage of their lives
- Simple to deal with
- Sharpened capital allocation
- Powered by people, technology, innovation and partnerships



(1) Propositions may be available to multiple key stakeholders.



Supporting our customers and communities

# 3.3 Building financial capability and wellbeing



Key ESG topic

## We achieved our 2020-2023 financial capability ambitions

During 2023, we reached targets set in 2020 to support the financial capability of our customers and communities.

### Ambition 1: 15 million financial capability interactions by 2023

(SDG 4.4, 4.6 and 10.2)

We delivered 4.3 million<sup>(1)</sup> financial capability interactions in 2023, with a cumulative total of 18.4 million<sup>(1)</sup> interactions against the strategic ambition of 15 million between 2020 and 2023. This comprised of the following:

|   |              |
|---|--------------|
| MoneySense  | 4.9 million  |
| Financial Health Checks                                   | 3.3 million  |
| Financial Capability products and features <sup>(1)</sup> | 9.8 million  |
| Fraud & Financial education                               | 0.4 million  |
| Total <sup>(1)</sup>                                      | 18.4 million |

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

(SDG 10.2)

Our success measures are based on the number of customers who saved £100 for the first time in the reporting period ended 31<sup>st</sup> December 2023 compared with the January 2020 baseline.

During 2023, we helped an additional 0.6 million<sup>(1)</sup> customers start to save, with a cumulative total of 2.3 million<sup>(1)</sup> customers against the 2020 strategic ambition of 2 million between 2020 and 2023.

#### Ambition 1 highlights

**4.3m<sup>(\*)</sup>**

financial capability interactions delivered in 2023

**18.4m<sup>(\*)</sup>**

financial capability interactions delivered between 2020-2023, against an ambition of 15 million

#### Ambition 2 highlights

**0.6m<sup>(\*)</sup>**

additional customers started saving in 2023

**2.3m<sup>(\*)</sup>**

additional customers started saving between 2020-2023, against an ambition of 2 million

## We now have an ambition to help 10 million people, per year, manage their financial wellbeing by 2027

(SDG 1.4, 8.10, 10.2)

During 2023, we set an ambition to help 10 million people, per year, manage their financial wellbeing by 2027.<sup>(2)</sup> We aim to help people manage their financial wellbeing through digital tools and personalised engagement. This ambition is based on helping people with our existing financial wellbeing tools and functions, including Financial Health Checks, Know Your Credit Score tool, Savings Goal tool, Savings Round Ups, Spending Features, as well as providing access to new propositions in the future.

Our new ambition is baselined against c.6m<sup>(1)</sup> customers we supported to manage their financial wellbeing for the year ended 31 December 2023. In 2024, we will continue to enhance our proposition and develop our measurement approach to support our 2027 ambition.<sup>(3)</sup>

Our financial wellbeing ambition supersedes our financial capability ambitions.

Full details can be found in our 2023 Sustainability Basis of Reporting.

**c.6m<sup>(\*)</sup>**

customers supported to manage their financial wellbeing in 2023<sup>(2)</sup>

‘We want to be the bank people trust, and help them improve their relationship with money through personalised engagement.’

Tanvi Gokhale,  
Head of Strategy,  
Retail Banking



(1) Including Spending features and Know Your Credit Score.

(2) There will be some overlap with the financial capability metric in 2023 for Financial Health Checks, Know Your Credit Score and Spending features. The financial capability ambition will be fully replaced by the financial wellbeing ambition in 2024.

(3) Actuals recorded for the year ended 31 December 2023 include customers only. Inclusion criterion and related methodologies may evolve over lifetime of the ambition as products and measurement capabilities are developed.

(\*) Within the scope of EY assurance. Refer to page 63.

## Supporting our customers and communities

### 3.3 Building financial capability and wellbeing continued

#### Digital financial wellbeing tools<sup>(1)</sup>

##### Know Your Credit Score

Understanding a credit score, and how it is calculated and improved, is an important part of developing good money management skills. We were the first bank in the UK to offer a free credit score feature to our customers in 2020 and during 2023, we became the first bank in the UK to offer this free to non-customers also. Everyone across the UK, not just our customers, can now access our suite of Credit Score tools including features like Credit Score Predictor, Score History, Next Best Actions and helpful tips to improve their score. 4.2 million customers accessed Know Your Credit Score in 2023.

##### Spending features

Our free spending tracker feature in the app helps customers manage their money, by categorising spend and surfacing personalised highlights. Customers can also set targets with our budgeting tool. In 2023, 4.2 million customers have accessed spending features at least twice in the mobile app.

##### Savings Rounds Ups

Round Ups are available in our mobile app and allow customers to round up their spending, with the spare change directed to their savings account. Customers using this receive a weekly push notification telling them how much they've saved using Round Ups in the last week. During 2023, 395,000 customers have turned on Savings Round Ups.

##### Savings Goals

The Savings Goal Tool helps customers set realistic savings goals for the short and long term. Customers can set up a goal for things such as bills, life moments or building up a rainy day fund. The Savings Goal feature helps customers understand how much they need to save each month in order to reach their goal and could make a difference to how customers think about saving. During 2023, 175,000 customers have set themselves a new savings goal.

#### Financial health checks

Our trained Senior Personal Bankers provide free reviews of personal finances for customers, helping them to understand their financial position and focus on their goals. We delivered 358,000 Financial Health Checks in 2023.

(1) Refer to our 2023 Sustainability Basis of Reporting for more information on the financial wellbeing metric.

(\*) Within the scope of EY assurance. Refer to page 63.

#### Financial education programmes

##### MoneySense

MoneySense is our free financial education programme that aims to help 5-to 18-year-olds learn about money at home as well as in schools.

In 2023, MoneySense continued to help young people prepare for the transition from school to independent living and towards a better financial future.

Time is Money is an immersive escape room activity that transforms classrooms into a digital zone to explore the social and economic impact of financial decisions and how to use those learnings in the future. The Carbon Footprint Tracker lesson tackles key climate change themes. It helps students to develop their financial capabilities as they explore the impact of their spending and lifestyle choices on the environment.

The annual Talk Money Week campaign, run by the Money & Pensions Service, encourages the UK to talk about money. In 2023, Talk Money Week focused on the theme 'Do One Thing' and MoneySense supported parents and families to explore topics including budgeting, credit scores, savings and fraud – and most importantly – helped people to talk about money.

Through the MoneySense schools programme we reached 1.1 million young people during 2023.

##### Financial Foundations Workshops

Developing good money practices and financial confidence has never been more important. From people who worry about money every day, to those who struggle to talk about their finances, our Financial Foundations Workshops are designed to empower participants to take control of their money and futures.

In 2023, we added a bespoke session aimed at cost of living to our Financial Foundations Workshop series exploring budgeting tips, savings strategies and what to do if someone is struggling with debt.

The four free sessions now include follow-up resources to help embed the learning and support participants who want to make real life changes after the workshops. In 2023, our trained bank volunteers delivered workshops totalling almost 250 hours of support.





## Supporting our customers and communities

### 3.3 Building financial capability and wellbeing continued

# Helping young people to Thrive

## CareerSense

We have supported 15,500 young people in 2023 through our CareerSense programme, our youth employability education programme in the UK for 13- to 24-year-olds. This included:

- Providing secondary schools with skills and entrepreneurship focused workshops and lesson plans which have supported 11,800 young people.
- Supporting 16- to 24-year-olds not in education, employment or training through CareerSense Find Your Path (FYP). This programme includes co-created skills workshops delivered in local communities with youth partners, mentoring with a bank colleague, and a paid placement.
- In 2023, we enrolled 26 young people on our core FYP programme and provided FYP funding for another 75 young people on other partner NEET (Not in Employment, Education or Training) activity.
- Sponsoring 16- to 18-year-olds with leadership development through the Ivy House Award – we're on track to have sponsored 2000 young people by the end of 2024.
- Continued social mobility charity partner collaboration, supporting 143 16- to 18-year-old students, with 106 supported through insight weeks and 37 completed work experience and mentored via Career Ready.
- We continued to run our Dream Bigger 'Idea Accelerator' events for 16- to 18-year-olds, further developing entrepreneurial skills with 153 young people in Edinburgh, Manchester, Bristol and Birmingham for a full day immersive experience.

In addition, as headline sponsor of National Careers Week (NCW), we helped schools and colleges celebrate careers education, with the NCW campaign reaching over 1 million young people.

Our NatWest Academy is also available to customers and communities, through Learning with NatWest, and focuses on five key capabilities: climate, employability, entrepreneurship, future skills and financial capability.

## Getting children confident with money with NatWest Rooster Money

NatWest Rooster Money is a children's prepaid debit card and pocket money app designed to give young people a head start with money.

Rooster app includes a range of easy-to-use tools to kick start money management from a young age, including a star chart and a virtual pocket money tracker. The Rooster card, which comes with a broad set of parental controls, is available for children aged six to 17.

NatWest, Royal Bank of Scotland, and Ulster Bank NI customers can get up to three Rooster Card subscriptions for free. In 2023, a range of new features have been introduced including the launch of 14 colourful card designs, Apple Pay for card holders aged 13 and above, and integration into the NatWest mobile app to enable direct top ups for parents.

As at 31 December 2023, Rooster Money has over 280,000 Rooster Card subscribers.





Supporting our customers and communities

3.3 Building financial capability and wellbeing *continued*

NatWest Thrive, our financial wellbeing and life readiness programme, helps young people build the money mindset, self-belief and skills they need to feel more confident about their financial future. In February 2023, we announced three commitments to support young people to improve their financial wellbeing and feel more confident about their future.

**Commitment 1**

**Double the number of NatWest Thrive youth clubs from 15 to 30, by the end of 2023**

We exceeded our aims, supporting 2,082 young people across 63 youth clubs against our ambition of 30 clubs. Through NatWest Thrive we are helping young people consider their future goals and teaching them about good money habits with the aim of making them feel more optimistic about their future.

Young people who have participated in our youth club programme are reporting a positive impact, as noted below:

**73%**

said they had a clearer plan for their future

**87%**

said they had developed new skills to help them build their future

**54%**

felt more able to manage their own money as a result of taking part in NatWest Thrive

**Commitment 2**

**Work with the National Youth Agency (NYA) to develop an employee volunteering programme**

We have developed an employee volunteering programme in partnership with the NYA. This has given youth clubs access to 54 NatWest Group employees trained with youth work skills and the ability to deliver NatWest Thrive workshops and careers support using their volunteering hours. This has provided support and expertise both to young people and the wider youth worker network.

‘Young people have directly benefited from people with expertise in financial literacy supporting NatWest Thrive workshop delivery. NatWest Group staff bring a variety of personal and professional experiences to these workshops and add richness and value to the programme. Bringing the sessions to life through diversity of thought and experience makes it a more inclusive and accessible programme.’

**Abbee McLatchie**  
Youth Director NYA

**Commitment 3**

**Gift £3 million apprentice levy funding to the NYA over 5 years to bring additional youth workers into the industry**

Apprentice levy funding given to the NYA by NatWest Group in 2023 has enabled 54 youth workers to gain their youth work qualifications, bringing essential expertise into the sector and supporting growth of the profession.



## Supporting our customers and communities

## 3.4 Supporting financial inclusion

Key ESG topic

### Financial inclusion

#### Cost of living

In 2023, we provided £5.7 million of funding to charities to help customers and communities with cost of living. This included £1 million to the Trussell Trust to further support the Help through Hardship scheme, over £1.6 million to the debt advice sector and £900,000 for Responsible Finance to support provision of accessible credit.

#### Branch closures

We recognise the way people bank with us has evolved, with an increased demand for digital services. We give careful consideration to the impact that closing a branch might have on customers and proactively contact those in vulnerable situations to offer additional support to guide them through the change. We aim to provide our customers with 12 weeks' notice of this change through easily accessible information via notices, factsheets, in-branch support and alternative ways to continue banking with us. Read more about our [branch closures](#) on our website and choice of channel on page 29.

#### Basic current accounts

We provide a basic personal current account, known as a [Foundation account](#), to help people to take the first step to financial inclusion. The account may be offered to those with poor, little or no credit history or those going through bankruptcy. It includes a debit card, access to digital banking services and everyday support such as text alerts to help customers manage their money. The account allows customers to bank with no monthly fee or added interest, meaning they can use their account without worrying about extra charges.

As at 31 December 2023, we support over 900,000 personal customers with a Foundation account.

#### Access to short-term borrowing

As one of the largest UK lenders, we play an important role in giving personal customers access to the finance they need. It's important that we lend responsibly, making sure we're helping people access the funds they need today, without creating more financial stress tomorrow.

We have a range of products that enable customers to access affordable credit, of which credit cards and overdrafts are two key propositions. All customers can review products and eligibility before applying without impacting their credit score.

These are complemented by tools to help customers understand and access borrowing options.

**Helping customers with their borrowing needs:** To help customers access the information they need to make informed choices about what product might be right for them to meet their borrowing needs, we revamped our [online content](#) and launched a new tool to help them choose. In 2023, 460,000 customers visited the web pages, and 26,000 used the new tool.

**Overdraft eligibility tool:** Available on our website, this tool enables customers to understand if they would be accepted for an overdraft.

**My Overdraft feature:** This feature in the mobile app helps customers to manage their overdraft by allowing them to view their monthly interest charges and understanding when interest charges will be taken from their account.

**Credit Card Instalment plans:** Instalment Plans give customers the option of splitting costs from £50 to £3,000 over 3 to 24 months at a rate that's lower than the standard interest rate. Customers can choose the plan length that suits them best. By late 2023, we had set up over 1 million instalment plans since launch in June 2019.

#### Unsuccessful applications

We can direct customers who are unable to access credit, or whose applications are declined to practical tools. These tools include our Benefits Calculator, to help improve their finances and increase likelihood of a future successful application. We also provide information on how we reach our lending decisions.

#### Customer support and debt management

We use a data-led approach to monitor usage closely across our lending and have processes in place to protect customers. These processes help us to quickly identify anyone who might be getting into financial difficulty or

using our products in a way that could create longer-term problems, for example persistent debt, repeat use, or paying for gambling.

We provide regular communication to customers who may be struggling and provide access to a dedicated Financial Health and Support team, who offer specialist support to customers who find themselves in financial difficulty.

During 2023, we sent 2.6 million targeted emails and letters to our most financially stretched customers. We also shared targeted digital reminders signposting customers to tools, advice and support.

If customers miss a payment, we have measures in place to support them. For example, we suppress interest on overdrafts at 32 days in excess and, from early February 2023, where customers missed several payments on an unsecured debt such as a loan or overdraft, we extended the time they could take to repay their debt from 18 to 24 months, giving them flexibility to repay.

We work with customers to consider debt management options that can help to improve their situation. We also actively refer customers for Free Independent Money Advice (FIMA) through our debt advice charity partners PayPlan (for Retail customers) and Step Change (for Business customers).

We have bespoke support in place for customers in vulnerable situations (CiVS). To deliver this, we work with organisations such as GamCare and Citizens Advice to improve the support available to CiVS and connect them with expert advice where appropriate. See page 27 for more information. All customers have access to the Financial Services Ombudsman.

#### Mortgage Charter

In June 2023, we were one of the first high street banks to sign up to the [UK Government's Mortgage Charter](#), formalising the flexibility we already offered to our customers. Customers struggling with mortgage payments can change mortgage payments to interest-only for six months. Or they can extend their mortgage term to lower monthly repayments, with the option to change their mind in the first six months.

Supporting our customers and communities

# 3.5 Supporting business and enterprise



## Supporting enterprise

### Our progress highlights

**Our 2023 ambitions**

**275,000**

interventions delivered to start, run or grow a business

SDG 8.3

**35,000**

individuals and businesses supported through enterprise programmes

SDG 8.3

**50,000**

youth interventions supported through enterprise and entrepreneurship activity

SDG 8.3, 10.2

**75%**

of support based in regions outside London and South East England<sup>(1)</sup>

SDG 8.3, 10.2

**50%**

of support provided to women<sup>(1)</sup>

SDG 8.3, 5.5

**20%**

of support provided to individuals from ethnic minority backgrounds<sup>(1)</sup>

SDG 8.3, 10.2

**2023 performance highlights**

**300,771<sup>(\*)</sup>**

interventions delivered to start, run or grow a business

**45,263<sup>(\*)</sup>**

individuals and businesses supported through enterprise programme

**57,155<sup>(\*)</sup>**

youth interventions supported through enterprise and entrepreneurship activity

**75%<sup>(\*)</sup>**

of support based in regions outside London and South East England<sup>(1)</sup>

**55%<sup>(\*)</sup>**

of support provided to women<sup>(1)</sup>

**34%<sup>(\*)</sup>**

of support provided to individuals from ethnic minority backgrounds<sup>(1)</sup>

We support enterprise through the non-financial support we provide, available to both customers and non-customers, covering UK businesses of all sizes and across all brands within NatWest Group. Our ambition is to help more people start, run and grow their own business than ever before, helping them achieve success, growth and contribute to a strong national economy.

### Supporting business growth

#### Coutts UK Enterprise Fund

In collaboration with the BGF Group (BGF), Coutts has continued to support UK SMEs with the UK Enterprise Fund (UKEF), which provides a unique opportunity for eligible clients to invest in diversified portfolios of UK-based growth stage private companies.

Three vintages have been launched so far (raising £110 million), looking to address the funding gap for entrepreneurs across the UK, while offering clients a scalable approach to investing in commercially established businesses.

Across UKEF 1 and 2, this initiative has supported 89 businesses, with almost £60m invested so far alongside c.£570 million co-investment from BGF. Further funding from UKEF 1 and 2 is available for follow-on investment as well as the recently closed UKEF 3 which will now begin to build another portfolio of private companies.

#### Business coaching

In 2023, through our Local Enterprise Managers, we delivered over 4,400 Enterprise Health checks with businesses, reviewing individual business goals and ambitions, to help them plan the next steps for their businesses. Businesses on our Accelerator Programme benefit from a dedicated acceleration manager, which provides businesses with one-to-one coaching and accountability through goal setting and tracking progress. Over 6,400 coaching sessions took place in 2023.

#### Supporting high-growth business

We are committed to supporting high-growth businesses<sup>(2)</sup> and have built a dedicated proposition to ensure that UK businesses have the support to scale and grow. In 2023, we partnered with the Scale Up Institute and facilitated events across the UK to bring together businesses to discuss the challenges they face and how NatWest Group could support them.

#### Family Business

We have a dedicated Family Business proposition and specialist relationship managers who are trained to understand the different dynamics of a family business. We are also proud sponsors of the annual Family Business Week which celebrates the unique contribution family businesses make to the economy and communities in the UK.

(1) Demographics cover uniquely supported individuals and young people supported.

(\*) Within the scope of EY assurance. Refer to page 63.

(2) To be eligible for high-growth support, businesses need to show 20% year-on-year growth in turnover over three consecutive years (minimum turnover £250,000) and/or a minimum £50,000 equity/grant investment in the last two years.



Supporting our customers and communities

3.5 Supporting business and enterprise continued



**NatWest Group Accelerator Programme**

In 2023, we supported over 1,300 entrepreneurs through the [NatWest Accelerator Programme](#) across our network of 13 hubs in the UK and online. From the businesses supported, 55% were female-led and 21% were ethnic minority-led businesses.

During 2023, we continued to deliver our Accelerator Programme through in-person and virtual coaching sessions, workshops, thought leadership and events across the UK to enhance local and regional business ecosystems and networks. By offering access to expertise and a community of like-minded peers, the programme removes barriers to enterprise, empowering UK entrepreneurs to develop and grow their businesses.

In addition, we continued our specialist Accelerators and events to support high-growth businesses in specific sectors across the UK. This included working with leading growth sector and industry partners such as BGF and Beauhurst.

**Entrepreneur Hub**

In August 2023, we launched Entrepreneur Hub: a single point of entry to our online enterprise support across our NatWest Group brands. The Entrepreneur Hub helps users to identify relevant education, tools and events as part of the wide range of non-financial support we offer based on users’ needs, interest or segment.

Our Business Builder and Business Insight content continues to provide learning opportunities and thought leadership to support businesses at every stage. These tools offer a range of resources in one place and form part of our wider phased journey to personalise and simplify support for businesses. In 2023, we developed new modules aligned to the needs of businesses, focused on topics including cost of trading, financial resilience and marketing. We also integrated an optional registration process, giving users the option to tailor their learning resources.

[Visit our Entrepreneur Hub.](#)

**Championing inclusive entrepreneurship**

**Support for women in business**

As longstanding supporters of women in business, we understand the challenges women may face when setting or scaling up a business. We have continued to support women in business in 2023 and aim to promote economic growth by supporting awareness and education around funding, investment and business growth, as well as fostering the right conditions and support for women starting and scaling up their businesses.

Our women in business specialists and local enterprise managers help us to do this through targeted campaigns and collaborations with organisations like Digital Boost, BuyWomenBuilt, everywoman, Asian Women of Achievement, Investing in Women Code and Women Backing Women.

Our women in entrepreneurship training programme is accredited by the Chartered Banker Institute and has been designed to enhance colleagues’ knowledge in order to create awareness of the specific needs of the female entrepreneurs.

We were proud to work with Savvitas to sponsor the annual MP HERoes event for the second year running. MP HERoes encourages, celebrates, and supports female enterprise by showcasing local role models in the form of ‘HERoes’, in constituencies across the UK. HERoes are nominated by their local MP.

**Ethnic minority support**

We aim to champion ethnic minority-led businesses (EMBs). We used feedback from our entrepreneur forum to inform our enterprise strategy. The forum is made up of EMBs from a variety of sectors, regions and backgrounds and was launched in February 2023. We have engaged with diverse communities from a variety of backgrounds through our range of national and regional ethnicity-focused enterprise events. We have a number of regional and national strategic partners who work with us to foster local networks of support.

We aim for 20% of spaces on our enterprise and Accelerator Programmes to go to business owners from ethnic minority backgrounds. In 2023, 34% of support through our enterprise programmes was provided to EMBs.<sup>(1)</sup>

In 2023, we’ve supported the Black British Initiative (BBI) MBA 30, a tailor-made programme addressing challenges faced by aspiring Black entrepreneurs designed by University of London’s School of Oriental and African Studies.

## Supporting our customers and communities

### 3.5 Supporting business and enterprise continued



#### Mentoring with Digital Boost

Mentoring can be a positive source of support for someone running a business. We partnered with online mentoring platform Digital Boost Upskilling to launch a free to use mentor matchmaking service for the next generation of Scottish women in business.

Known as MentorMatch, the service was developed in response to research which revealed that more than half (53%) of women business owners in Scotland feel that a lack of mentoring opportunities has prevented them progressing in their career. Almost half (47%) of women business leaders feel that mentoring is too formal a process, while 49% reported that finding the right mentor is too difficult.

MentorMatch aims to break the formality around mentoring and helps make finding and becoming a mentor easier by facilitating instant connections. The platform provides guidance tailored to specific business challenges through its online and mobile service.

MentorMatch was launched in April 2023 at The Haberdashery, in Glasgow. Presented by Amy Irons, the exclusive event brought together entrepreneurs from across Scotland to hear all about the new platform via a live panel featuring some of the country's most exciting women in business including: Jilly Isabella, founder of independent fashion brand, dula; Rachel Wood, owner of Rare Birds Books and Aarti Joshi, radio host, life coach and industry leading marketing expert.

Since the launch of MentorMatch, 63 people have signed up to be Mentors, 83 women have signed up to receive mentoring and 90 sessions have taken place.

#### Supporting access to expertise

##### Supply Chain Sustainability School

We've partnered with the Supply Chain Sustainability School (SCSS) to provide a free retrofit learning platform for the construction industry, focusing on decarbonising UK properties.

##### Regional SME Taskforce

During 2023, our Regional Taskforces continued to meet to support local economies and help to unlock the potential of regional economies across the UK. Each taskforce brings together key stakeholders to look at how the wider ecosystem can support businesses, examining current challenges and what can be done to help alleviate them.

#### Young Enterprise support

##### The Prince's Trust

NatWest Group is a corporate supporter of The Prince's Trust enterprise programme, which helps young people aged 18 to 30 explore their business ideas. In 2023, we boosted this support through our Test Your Business Idea grants, which give young people an opportunity to try their idea for real.

During 2023, in total NatWest Group funded 591 Prince's Trust grants to young entrepreneurs across the UK, totalling £756,180.

Through the NatWest Enterprise Awards, The Prince's Trust recognises young people who have overcome barriers and achieved success in creating a sustainable business or social enterprise. As a patron of The Prince's Trust 'Women Supporting Women' initiative, we are also working to ensure that more young women who face disadvantage and adversity can access the education, training and enterprise programmes that could help transform their lives. NatWest Group has colleagues registered as skills-based volunteers, providing skills and time to assist young people.

#### Support for social enterprises

NatWest Social & Community Capital (S&CC) is an independent charity supported by NatWest Group whose mission is to enable social enterprises and trading charities to make a positive impact in UK communities. It does this by providing community businesses with repayable finance, direct mentoring, volunteer support and access to webinars and seminars.

The charity published its impact report for 2022 during 2023. In 2022, S&CC approved more than £1 million of funding and lending to social enterprises and community businesses, an increase of 128% on the previous year. This involved nine new loans to seven new enterprises. S&CC was awarded Nationwide Social Lender of the Year in the UK Enterprise Awards 2022 and in the LiveWire Global Awards 2022/23.

#### Federation of Small Business cost-of-living support

In January 2023, we announced a £1 million partnership with the Federation of Small Business (FSB) to provide NatWest Group Business Customers with access to business support and educational content. Throughout 2023, our business customers were able to access the dedicated support which included webinars on getting funding ready and managing late payments, a resource hub with practical and comprehensive information on late payments, debt recovery and funding readiness and options with downloadable information and a dedicated telephone support line for one-to-one advice.

## Supporting our customers and communities

### 3.5 Supporting business and enterprise continued

# Supporting business

We are one of the largest banks for business in the UK, banking 940,000<sup>(1)</sup> small businesses and holding a 19% market share of start-ups.<sup>(2)</sup>

## Supporting our business customers

We provide a range of products and services that help businesses to thrive. These include:

**Financial Health Checks:** We're committed to supporting our business customers get a better understanding of their goals through our free business financial health checks.

**Smooth application journeys:** For our Small Business Loan product (loans up to £50k) borrowers can complete an application within 10 minutes and receive funds inside their account within 24 hours, providing convenience for small business customers.

**Support for SMEs:** In July 2023, we launched our business banking switcher offer for SMEs providing businesses with turnover of up to £2 million with access to two years of free banking.

**Support for start-ups:** The start-up business account is available for businesses that have been trading for less than one year and have a turnover of less than £1 million. The account offers free banking on everyday transactions for the first two years, which means the charges for the day-to-day running of the account don't apply during the free banking period.

**Supporting micro businesses:** Tyl was one of the first to market with Tap to Pay, which allows micro businesses and seasonal traders to start taking card payments without additional hardware or monthly fees, lowering the barrier to entry for micro businesses. As at 31 December 2023, over 30,000 businesses are using Tyl.

**Supporting sole traders:** Mettle is our free mobile-based business bank account for the self-employed, providing business owners with the resources they need to effectively manage the financial side of their business on the go. Features in the Mettle app help customers to easily raise and send invoices, categorise business spending, integrate with accounting software, like FreeAgent, and get an estimate of how much tax they're likely to owe.

Mettle is used by more than 100,000 small businesses across the UK and is for sole traders and limited companies with an account balance of up to £1 million.

**Carbon Planner tool:** A free-to-use digital platform designed to help UK businesses manage their future fuel and operational costs and reduce their carbon footprint

**Fuel and EV charging cashback:** In February 2023, we launched fuel and EV charging cashback on Business Credit Cards to help offset the cost of doing business. This paid between 1% and 3% cashback on credit card spending in these categories every month to businesses.

## Supporting key sectors

As one of the largest banks for business in the UK, our lending helps to support key sectors.

**Support for manufacturing:** In May 2023, we announced our aim to provide an additional £1 billion of lending to the UK manufacturing sector by the end of 2030, aiming to stimulate growth and help manufacturers invest in cleaner, more efficient forms of energy generation and use. Lending will be deployed through loans, asset finance and overdrafts.

**Support for agriculture:** In May 2023, we announced that through a partnership with our Asset Finance arm, Lombard, and the UK's largest manufacturer of frozen potato products, McCain, we'll offer McCain's potato growers increased funding support and preferential terms. In January 2024, we announced additional support for agricultural customers impacted by flooding, including loan repayment holidays, interest rate reduction or temporary emergency loans with no fees.

**Support for social housing:** Housing finance completed £0.3 billion in sustainability linked loans during 2023, which contributed towards our climate and sustainable funding and financing target. We continued to support the Social Housing Sustainability Reporting Standard as an early adopter to enable housing associations to report ESG performance in a transparent, consistent and comparable manner. We also continued working collectively with Pineapple Sustainable Partnerships, Places for People, British Gas Centrica to establish a business model for large-scale delivery of retrofits. The pilot generated learnings on the retrofit process for NatWest Group and could also act as a catalyst to develop supply chains and technology to boost private sector retrofits.

## Generating impacts through the proceeds of our social bonds

As at 31 December 2023, we have issued three social bonds, the proceeds of which provide funding for loans helping generate positive social impacts.

Our first bond, issued in 2019, aims to support job creation in the 30% most deprived areas of the UK. The asset pool for the bond is made up of loans to small-and medium-sized enterprises based in these areas. Up until 31 December 2022, we estimated that our lending to these small businesses had helped to create 11,300 new jobs since the bond's inception.

Our second bond, issued in 2021, aims to support the provision of affordable housing. The asset pool for the bond is made up of loans to housing associations providing affordable housing including through the provision of social rent units. For year to 31 March 2022, we estimated that our lending to these housing associations supported the acquisition or development of 568 new units.

In March 2023, NatWest Group became the first bank in Europe to issue a bond with the intention to use the net proceeds to lend to businesses identified as women-led. The nominal amount of the bond is €500 million (£446 million).

 [Read our 2022 Green, Social and Sustainability Bonds Allocation and Impact Report.](#)

(1) 'Small businesses' defined as businesses with a turnover of £0 to £750k.

(2) Based on the % of 647 businesses, less than 2 years old, that name a NatWest Group brand as their main bank (19%). Source: MarketVue Business Banking from Savanta, YE Q4 2023. Data weighted by region and turnover to be representative of businesses in G.B.



## Supporting our customers and communities

### 3.6 ESG support for large corporate and institutional customers

Alongside providing our own green or socially focused products to customers, we work with large corporates and institutional customers to assist them with financing solutions and market intelligence to support them in creating positive environmental and social outcomes.

#### Supporting customers through thought leadership and powerful partnerships

Leveraging our markets expertise and intellectual capital, we continue to build partnerships and collaboration in the sustainable finance market.

The inaugural 'Women Mobilising Sustainability across the Financial Ecosystem' event was jointly hosted by NatWest Markets, Coutts and RBS International and attended by over 150 guests.

We also published the results from NatWest's 'Global Fixed Income Investor Survey: Climate Risks and Opportunities: What Debt Investors Expect from Issuers,' which surveyed

225 asset managers to see where they stand on climate transition and physical risk. This engagement with banks and investor coalitions provides an industry-wide overview of what action is being undertaken, encourages dialogue between issuers and investors, and is useful to understand which ESG standards and data matter to investors.

#### Supporting our customers in ESG-related matters

We offer customers a broad range of sustainable finance and advisory services and products. Our Climate and ESG Capital Markets and Advisory services help customers with the design, structuring and execution of sustainability labelled debt, including the creation of frameworks and the selection of appropriate use of proceeds and key performance indicators. Through non-deal roadshow and investor engagement, we facilitate current and potential investors with a specific focus on strategic ESG and sustainable finance topics.

#### ESG ratings advisory

Our ESG ratings advisory service is a key element of our Corporates and Institutional ESG offering, providing analysis, and insights on the maintenance of ESG ratings to our corporate and financial institutional customers, including sovereigns, supnationals and agencies (SSA). The engagement with our clients aims to provide useful insights on ESG ratings, helping them to improve their ESG reporting and sustainability performance.

In 2023, we delivered management training modules to customers as part of our Corporate Sustainable Finance Leadership Toolkit series and hosted a workshop at the European Covered Bond Conference (ECBC) on 'Understanding the implications and challenges of ESG ratings for issuers'.

#### SSA Scorecards

For the benefit of our treasury customers, we have developed a framework to support the assessment of Sovereign ESG profiles of c.60 countries across a number of indicators including climate and natural capital, human rights and social cohesion, governance effectiveness and economic environment. The framework has been expanded to include Multilateral Development Banks and Agencies.

#### ACCIONA's new Sustainable Impact Financing Framework

In June 2023, NatWest acted as Sole ESG Structuring Advisor to ACCIONA for the company's new Sustainable Impact Financing Framework.

The new framework combines three previous iterations published by ACCIONA and ACCIONA Energía to create a single 'family' framework.

Beside covering Green Use-of-Proceeds and Sustainability-Linked financing structures, the framework introduces the new Local Impact component whereby the company can commit to direct an amount equal to the yield saving from issuing a bond or loan in ESG-labelled format, or the benefit of a coupon step-down on a sustainability-linked bond or loan, to support local initiatives which promote environmental or social co-benefits.

[Read more on our collaboration with ACCIONA and other client stories on our website.](#)



## Supporting our customers and communities

### 3.6 ESG support for large corporate and institutional customers continued

#### Green, Social and Sustainability (GSS) Bond Framework

Our Green, Social and Sustainability (GSS) Bond Financing Framework, under which we issue GSS bonds to institutional investors, was updated in December 2022. The expanded framework includes a comprehensive range of eligible green and social assets that could be used in conjunction with a GSS bond issuance.

#### 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 GSS bonds. As at 31 December 2023, Treasury held c.6%<sup>(1)</sup> of its disclosed Liquidity bond portfolio in GSS assets. Based on issuer reporting, the proceeds of these bonds are allocated to areas such as renewable energy, energy efficiency and sustainable development.

(1) Based on third-party classification of issuer documents. Read the Financial Review section in the NatWest Group plc 2023 Annual Report and Accounts for more information on our liquidity portfolio.

#### Notable awards

We won a number of awards from Environmental Finance – the awards are designed to celebrate leading green, social, sustainability and sustainability-linked (GSS/S) bond and loan market participants from 2022. The panel awarded the bank:

- Lead manager of the Year, sustainability bonds – corporate
- Lead manager of the Year, social bonds – financial institution
- Lead manager of the Year, social bonds – supranational, sub-sovereign and agency (SSA).

NatWest has also been named as the winner of two Global Finance Sustainable Finance 2023 awards: Regional winner for Sustainable Infrastructure Finance in Western Europe and Best Bank for Sustainable Finance in the UK.

RBS International won ESG Lender of the Year for the second year running at the Real Deals ESG awards.



### NatWest Climate and ESG Capital Markets – social bonds support for our clients

Financial institutions can drive social or sustainability outcomes, particularly in supporting a just transition. Social themes have been high on the agenda for many of our customers, particularly those in the Financial Institutions and SSA sectors. We have supported corporate, financial institutions and SSA clients by analysing the existing landscape of social bond impact reporting and advising clients on best-practice eligibility criteria for social projects in their green, social and sustainability financing frameworks.

We have used our relationships with the fixed income investor community, particularly ESG analysts and social bond fund managers, to enhance our understanding of how issuers can meet investors' expectations on social bonds. In addition, we continued monitoring sectoral developments, for example social banking products and services within the Financial Institutions sector, providing insights and ideas for new product development.

In 2023, we have supported clients to issue 14 social bonds with a combined notional of £10.2 billion with £2.4 billion equivalent attributable to NatWest.

One client was Motability Operations, a commercial organisation which delivers the Motability Scheme to over 700,000 customers in the UK, helping them access independent mobility by allowing them to exchange their higher rate mobility allowance for a suitable vehicle. The company continues to deliver a consistent, highly-affordable and competitive proposition for customers with disabilities, while working towards transitioning their fleet to electric via their 'Lean into Green' initiative. NatWest Markets acted as Joint Bookrunner twice over the course of the year, supporting c.£1.4 billion equivalent raised in social bonds across four tranches in the sterling market. The proceeds of the bonds will fund vehicles, powered wheelchairs, or scooters.

**For details of our green bond issuances and transaction support, including our blue bond support for Ørsted, refer to the Strategy and Climate transition plan section in our 2023 Climate-related Disclosures Report.**

## Supporting our customers and communities

## 3.7 Private banking and responsible investing

### Responsible investing

Responsible investment involves considering ESG issues when making investment decisions and engaging with companies and fund managers to drive ESG-based decision making. As an asset manager, we believe that embedding Responsible Investing principles into our investment process will lead to better informed investment decisions and that ESG factors, over time, have the potential to have a positive impact on investment risks and returns. We integrate ESG considerations into our investment process through our Responsible Investing Framework. This includes:

1. selection and monitoring of funds
2. voting and engagement
3. exclusions
4. working collaboratively with industry.

### Selection and monitoring of funds

For our third-party funds, as part of our initial and ongoing due diligence process, we assess each fund for multiple indicators across three levels, looking at ESG integration at the asset manager organisational level, the fund level and their stewardship activity. Our managed assets are invested in custom-built and third-party funds with limited direct exposure to equities and bonds. For our custom-built funds, for example our Coutts funds managed by BlackRock, the investment parameters and ESG policies have been set by Asset Management, and these funds have been (re)designed to decarbonise over time and to align to a net-zero pathway.

### Voting and engagement

Stewardship is an act of voting, where equity shares are held in a company, and engaging, where you enter into dialogue with companies or asset managers around material risks and opportunities. For our custom-built funds, we use our influence as shareholders to encourage the companies in which we invest to improve their transparency and ESG performance. In 2023, supported by our stewardship provider, EOS at Federated Hermes, we voted on over 10,000 resolutions and engaged with 423 companies to help address ESG-related issues and vote in-line with our policies.

We believe that mapping our engagements to the UN SDGs, enables us to identify key focus areas. This is why we focus on dialogue to make a positive contribution to meeting the SDGs. 1,464 out of 2,176 of the issues and objectives we engaged on in 2023 were aligned to one or more of the SDGs.

[Read more on our voting and engagement activity in our annual statement of compliance with the UK Stewardship Code.](#)

### Exclusions

As a responsible investor, our preferred strategy for our assets under management (AUM) is to engage with those companies in which we invest to help mitigate material risks associated with ESG issues. However, there are certain investments where we believe that engagement will not be effective or where we decide to take a prudent approach until we gain sufficient confidence that the relevant issues can be addressed. As a result, for our custom-built funds there are areas we have limited our exposure to:

- climate-related activities, such as thermal coal and tar sands
- norms-based screens, such as human rights or labour standards violations
- business activities, such as gambling, tobacco and civilian firearms.

We are a participant of the United Nations Global Compact (UNGC) which sets out universal principles on human rights, labour rights, environmental responsibility and anti-corruption. Consequently, we assess companies across a variety of globally-recognised norms to understand how they are aligned to fundamental rights.

[Read more in our ESG-related exclusions policy document or in our 2023 Climate-related Disclosures Report.](#)

### Working collaboratively with industry

It is important for us to collaborate within the industry to help raise the visibility of material ESG issues, mitigate risks and influence positive policy development. We do this through our involvement in initiatives like Climate Action 100+ and the Net Zero Asset Managers initiative (NZAM), which we joined in 2021 as part of our ambition to achieve net zero across our AUM by 2050.

### Salient human rights issues

In 2023, we supported our Human Rights Action Group to identify salient human rights issues in our role as an investor. The prioritisation of our salient human rights issues will allow us to focus our efforts on carrying out a more in-depth assessment, including evaluation of our processes and policies. Read more on human rights on page 57.

### Principles for Responsible Investing (PRI)<sup>(1)</sup> results

The PRI requires signatories to report on their responsible investment activities annually for independent assessment by the PRI. Coutts has outperformed the median peer group score in the 2023 PRI assessment. The assessment reviewed all 3,781 PRI signatories which consist of asset managers, wealth managers and asset owners globally. Our investment and stewardship policy, which details our approach to integrating environmental, social and governance (ESG) principles into our investment process, was given a score of 91% by the PRI.

### B Corp

Coutts' B Corp certification means we consciously work towards providing responsible wealth management in line with exceptional levels of service. Becoming a B Corp helps us continue to support our clients' sustainability plans and show that financial goals need not come at the expense of the planet. We constantly seek better environmental, social and governance practice within our own business and those we work with, because we believe doing so is vital to ensuring sustainable economic prosperity.

[Read more on our website.](#)

### Residential mortgages

During 2023, Private Banking completed £0.2 billion in residential mortgages for properties rated EPC A and B. Coutts mortgage products offer discounted arrangement fees for purchasing a more energy efficient home (EPC rating of A or B) or for making improvements resulting in an EPC rating of A-C.

(1) The United Nations Principles for Responsible Investing is the largest global reporting project on responsible investment. It was developed with investors, for investors and requires signatories to report on their responsible investment activities annually for independent assessment by the PRI. It does not operate for its own profit and, while it engages with global policymakers, it is not associated with any government. It is supported by, but not part of, the United Nations. PRI assessment score released November 2023. Read more on our [website](#).



## Supporting our customers and communities

## 3.8 Accessibility and good customer outcomes

Key ESG topic

### Regulatory update on Consumer Duty

The FCA's Consumer Duty regulation came into force for existing and new products and services in July 2023.

We operated a programme that established appropriate standards, tools and frameworks to ensure we deliver good outcomes to retail customers across NatWest Group. The work has built on an existing customer-centred approach established in our strategy and supported by our values and expected behaviours. In line with regulatory expectations, we have an appointed Consumer Duty Board Champion, and the NatWest Group Board and Executive Committee received regular progress updates and provided challenge and oversight on progress to the July 2023 deadline.

Product and service owners undertook reviews of the outcomes they provide customers and assessments of the value customers receive. Those insights have translated into actions across NatWest Group to meet both the spirit and substance of the regulation by the key regulatory milestone of July 2023. Similar work continues to meet the further deadline for products and services no longer available to new customers by the end of July 2024, with plans put in place by our product and service owners.

Our response to the regulation has been wide and outcomes-focused, and has been subject to ongoing scrutiny at regular meetings with the FCA.

### Good customer outcomes supported by our product lifecycle

Our end-to-end product lifecycle process is designed to keep our customers and NatWest Group safe while delivering a financial return. We use various tools to guide this, including the YES check, Our Code, Critical People Capabilities and our internal policies and risk standards (see page 53).

Our risk standards and policy documents focus on the risks associated with the design, management and sale of our products and services, as well as our complaint management process and how we support customers in vulnerable situations. Our product governance risk standards and operational policies are applicable to all legal entities, business segments and functions.

All colleagues involved in the design, management and distribution of our products and services are required to undergo training to ensure they are aware of the relevant standards and policies and understand their responsibilities. Our remuneration arrangements for colleagues aim to promote and encourage good customer outcomes throughout the product lifecycle. Sales incentives for our customer-facing colleagues were removed in 2016.

### Product and service development

We aim to ensure that products are designed to deliver good customer outcomes. As part of our product and service development, we make sure that:

- the target market is identified to a sufficiently granular level and aligned to a specific product strategy
- the proposal meets the needs and financial objectives of customers in the target market while avoiding financial harm
- the distribution strategy works for the identified target market
- the proposal is designed to benefit the customer and deliver fair value
- customers in the target market will be able to understand the product or service and its features and will be appropriately supported throughout its lifecycle
- consideration is given to the voice of the customer.

Our products are overseen and approved by dedicated executive-level committees before release.

In 2023, we worked to further enhance the consistency and governance of products and services, and to align ourselves to a consistently higher product governance framework standard.

#### Beyond the review of our products and services, our response to Consumer Duty has included:

- Building an enduring capability for our product owners to use numerous data points to test and manage outcomes that our customers receive.
- Updated product governance, to ensure all products and services are delivered in line with Consumer Duty expectations.
- Training over 97% of our colleagues on Consumer Duty and its expectations, with specialist training delivered to product owners, customer journey teams, marketing and customer-facing colleagues.
- Updates to Our Code, to specify that colleagues 'must act to deliver good outcomes for retail customers'.
- Training for our Board, supported by external expertise.
- Alignment of Consumer Duty within our Senior Managers and Certification Regime and remuneration frameworks.
- Questions included in our colleague engagement survey, Our View, to assess the ongoing awareness of and engagement with the delivery of good customer outcomes.
- Establishing a Good Customer Outcomes Centre of Expertise to ensure we continue to learn and grow in our demonstration of good outcomes beyond July 2024.



## Supporting our customers and communities

### 3.8 Accessibility and good customer outcomes continued

Key ESG topic

We worked across 330 products to improve the articulation of our target market and intended use of the products, including the identification of negative outcomes. A new learning module was launched for product and service colleagues.

Following this approach, improvements have been made to support good customer outcomes. For example, overdraft limit reduction measures have been put in place for 1.3 million customers where there is a perceived risk of future harm. For Business customers, we developed an overdraft cancellation tool, giving the ability to customers to cancel their overdraft online.

#### Fair pricing

Our pricing standards and model ensure that customers are paying a fair price for the products and services they are receiving. Pricing decisions are overseen by dedicated executive-level committees. In 2023, we introduced comprehensive price and value assessments across all products and services in scope of the Consumer Duty regulation.

#### Product and service distribution and responsible marketing

Throughout the sales journey we inform and educate our customers about all aspects of a product in a clear, fair and not misleading way. This includes being transparent about the costs, conditions and potential risks of each product. We aim to ensure communications to our customers, including financial promotions, present information in a way that it is easily understood, engaging and written in plain language, with key information easy to find and not hidden in lengthy terms and conditions.

We aim to make sure that, regardless of the channel used, the information we provide enables customers to make effective decisions and offers sufficient opportunity for them to review the information and assess their options.

We aim to identify all activity that constitutes a financial promotion and to ensure that all financial promotions comply with the relevant regulations set out in our Financial Promotions Guides. All financial promotions are approved by the Financial Promotions Approval team, with separate teams providing oversight and assurance as part of our three lines of defence model. Financial promotions are reviewed at least annually. We also ensure that the sale of products and services and the provision of advice is undertaken appropriately and meets the regulatory standards of suitability and appropriateness.

In 2023, we've reviewed almost 2,500 communications and made improvements to support good customer outcomes.

We've also improved our Overdraft Engagement Hub, helping retail customers to understand the cost of their borrowing or how overdrafts are intended to be used. We are also in the process of helping our Premier and Private Banking customers better understand options available to them, and associated costs and benefits, through a new online short-term borrowing tool to be deployed.

#### Ongoing management

We have a multi-channel approach to supporting customers – digital, telephony, in branch and through our relationship management model. We also have a range of specialist support options in place. We aim to ensure that customers continue to be treated fairly after the point of sale and aim to remove any barrier 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. For example, digital closure journeys have been implemented for cards, Buy-Now-Pay-Later and Fixed Rate Savings Products to allow our Retail customers to complete the request in a channel of their choice.

We routinely monitor the performance of our products and services. This aims to ensure that the product or service remains consistent with the purpose for which it was introduced, is distributed in accordance with the needs of the target market and is flexible to cater to the needs of vulnerable customers.

#### Addressing complaints

Dealing with customer complaints ensures good customer outcomes and makes sure we meet our regulatory requirements as set out by the FCA. Complaints can be raised in person, online, by phone or in writing. Where the issue is more complex, one of our complaint handling experts will become involved. Customers can refer to the Financial Ombudsman Service, an independent review body, if a complaint has not been resolved within certain timescales. The NatWest Group Board has oversight of complaints.

We endeavour to reduce complaints by addressing the underlying causes. In 2023, we received 206,250 reportable complaints compared to 198,633 in 2022. We run a centralised training and competence programme regularly for customer-facing employees which helps us effectively manage any negative customer experiences.

[Read more on our complaints data.](#)

#### Limitations of the product life-cycle process

The risks and limitations associated with product life-cycle governance are such that we operate from one set of minimum standards that are then applied across multiple business segments within Natwest Group. As such, we may see variation in the interpretation and application of our policies and procedures, which in turn could deliver different outcomes for customers depending on the customer type. In order to help mitigate this risk, we carry out regular assurance and testing against adherence to policy across the group, and seek attestation from each of our business areas to gather evidence around how they comply with our policies on an ongoing basis.



## Supporting our customers and communities

### 3.8 Accessibility and good customer outcomes continued

Key ESG  
topic

# Customers in vulnerable situations

At any time, our customers may find themselves in a vulnerable situation where they need additional support.

## Identifying customers with additional support needs

Our definition and identification of customers in vulnerable situations aligns to the FCA definition. We recognise the four key drivers of vulnerability – health, life events, resilience and capability – set out in FCA guidance for firms on the fair treatment of vulnerable customers. Customers can disclose information about their situation and their support need in all our channels of business, and we can also use internal data to identify potential characteristics indicating vulnerability.

## Product design considerations

As part of our product governance, we assess how customers with characteristics of vulnerability may be impacted by a product through a particular Customer Vulnerability Impact Assessment at the design stage. In response, we consider what mitigants we can put in place.

We have adopted five key principles for designing inclusively: confidence and trust, accessible information, clear choices, easy journeys and specialised support. This approach helps us to make proportionate choices in upfront design and in the monitoring approach we use to detect potential for harm.

Working with external parties, we use an Inclusive Design Panel made up of people who between them have lived experience across all of the key drivers of vulnerability to inform and input to our product design. Our Inclusive Design Panel has helped us to review more than 45 different products and propositions.

## Supporting customers with additional needs

In 2023, we continued to work with organisations such as GamCare and Citizens Advice to improve the support available to customers in vulnerable situations, and where appropriate, connect them to expert advice outside the bank. We have also developed new partnerships, including with organisations like Plain Numbers, who will help us communicate with our customers clearly and in a way that works for them. We continued to run digital lessons and fraud and scam awareness events remotely online. We have dedicated teams available to support customers in financial difficulty and dedicated customer protection teams who engage with customers at greatest risk of harm, working with external partners where more specialist help is needed.

## Colleague training

In 2023, we provided consistent training to help colleagues recognise and respond to customers in vulnerable situations and offer them support when they need it most.

Front line colleagues are also trained to:

**Recognise:** Demonstrate soft-skills to be able to identify impact and needs to recognise vulnerable situations in conversations.

**Record:** Clearly demonstrate how to record needs and relevant information.

**Respond:** Respond with support (adjust or serve differently), signpost to tools, self-help.

**Refer:** Connect customers with specialist support where required.





Supporting our customers and communities

3.8 Accessibility and good customer outcomes continued



# An accessible bank by design

We recognise that everyone’s needs are different, so we aim to make banking as accessible as possible for our customers, including those with disabilities, impairments and long-term health conditions.

Disabilities can be cognitive, developmental, intellectual, physical, sensory or a combination of factors. They can be present from birth or acquired during a person’s lifetime.

In June 2023, we hosted the Business Disability Forum’s Back to the Future conference, where our executive sponsor for disability, Oliver Holbourn, CEO of RBS International, gave a keynote speech and set out NatWest Group’s vision for an accessible bank by design.

**‘By an accessible bank by design, I mean a bank where everyone thinks first whether everyone can access a customer or colleague journey in an easy, fair and safe way.’**

**Oliver Holbourn,**  
CEO RBS International and NatWest Group Executive Sponsor for Disability

## Digital accessibility

In April 2023, the NatWest Group Executive Committee approved a plan to embed digital accessibility across our processes and practices. They support our approach to become an accessible bank by design across our customer digital touchpoints, including our app, online banking and web pages.

## Processes and practices

In 2023, we updated our digital accessibility standards to design and build with reference to the latest Web Content Accessibility Guidelines (WCAG) version 2.2 AA. We also updated our Supplier Charter to include a dedicated section on digital accessibility.

Our refreshed brand guidelines have digital accessibility embedded. We now include considerations such as motor skills, language, use of colour and assistive technology that our customers may be using.

We have been listening to our customers with disabilities and our research teams have been changing the way they gain feedback. This complements the Inclusive Design Panel to guide the way our teams create digital experiences.

## Colleague training and support

We are working to support our colleagues to create a more accessible experience for our customers.

In October, we piloted new training for colleagues who create digital experiences. The pilot started with our cohort of software engineering graduates. This training builds on our wider ‘disability smart’ online training which has been completed by over 47,000 colleagues. We also have a

central accessibility hub on our internal intranet, allowing colleagues to learn more about accessible design.

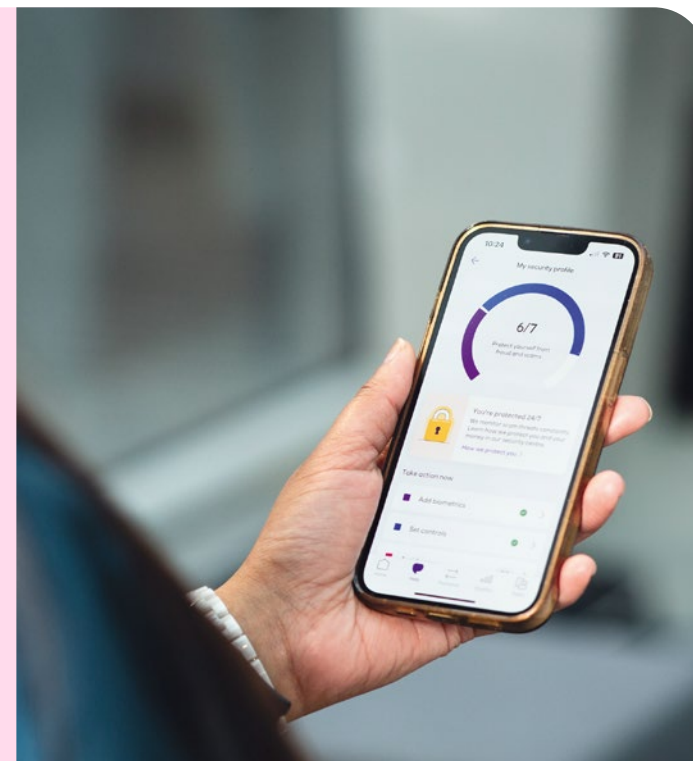
Inclusive design training is mandatory learning for all colleagues involved in journey design. In 2023, we also piloted a new tool for our designers to help test journeys against our digital accessibility standards.

Working closely with our disability employee-led network, known as ‘Enable Disability & Neurodiversity Network’, we delivered awareness campaigns to coincide with Global Accessibility Awareness Day and the International Day of Persons with Disabilities.

## Implementing improvements for customers

Some examples of how we’ve improved digital accessibility in 2023 for our customers include:

- Updating biometric security in our Retail Mobile app, by removing the need to blink during Face Biometric approval. Now customers can complete the approval process by holding the device still, making it easier for customers with limited motor skills.
- Redesigning the branch locator within our mobile app and website to better support customers with motor control difficulties, colour deficiency and those who use screen readers.
- Enabling Retail Banking customers to control elements of their interactions with our AI virtual assistant Cora, such as changing the speed of responses as well as the window and text size to aid readability.



## Supporting our customers and communities

### 3.8 Accessibility and good customer outcomes continued

#### Choice of channel

We understand that our customers want to be given a choice of which channels they use to do their banking.

As at 31 December 2023, we have over 580 branches and over 2,400 NatWest Group ATMs. Our customers can also access banking services at Post Offices. We continue to offer mobile branches serving over 600 unique stops, allowing customers, including those in remote areas, to do their everyday banking such as making deposits, withdrawing cash and paying bills.

We continue to experiment with providing the most accessible physical space for our customers who visit our branches. In our Milton Keynes branch, which forms part of our concept branch initiative, we have created a sensory room – a dynamic environment where the light and scent in the room can be changed to create different environments, and this supports neurodiverse customers.

Hearing loops in all our branches provide support for customers using hearing aids.

Our video banking service supports customers when they want the reassurance of a face-to-face conversation with our highly-trained colleagues. Through our partnership with SignVideo, we offer a service that lets colleagues and customers communicate easily in-branch or via Zoom virtually using a sign language interpreter.

We continue to have dedicated teams available on the phone to support customers with product applications and we retain our dedicated over 60s customer care line.

Customers who require additional support can access a range of accessibility services, such as statements in braille, translation services, large print and audio CD. BT's Relay UK service also supports customers with hearing impairments through a type-to-talk service.

Other key accessibility features include our accessible card readers, rubber signature stamps, braille card wallets and talking ATM service.

#### Banking my way

'Banking my way' is a service that allows customers to tell us specific information about their needs and preferences so that we can better help them in the future. With their permission, we record this information so that we can be aware of it each time a customer contacts the bank.

There are a range of adjustments we can make to support our customers, such as a sign language interpreter, braille documentation or simply speaking more slowly.

Customers can alert us to such adjustments on mobile, online, in our branches or via our telephone teams.

As at 31 December 2023, over 244,000 people have registered for Banking my way.



Supporting our customers and communities

# 3.9 Innovation and digitalisation

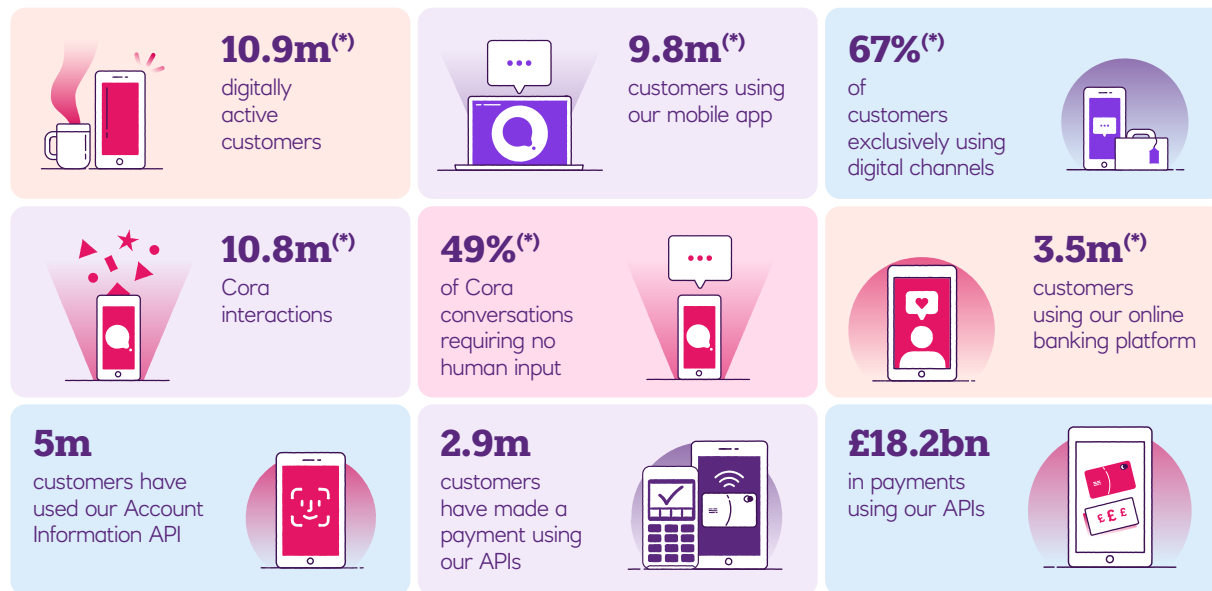
Key ESG topic

Through our planned investment of £3.5 billion from 2023 to 2025, where more than 70% of the spend is targeted at data and technology, we're digitalising our services to make it easier for our customers to bank at a time and place convenient to them. Our mobile app enables our customers to bank whenever, wherever, with 9.8 million<sup>(1)</sup> of our customers mobile users. We have 10.9 million<sup>(1)(\*)</sup> digitally active retail and business banking customers and 3.5 million<sup>(\*)</sup> customers using the online banking platform. 67%<sup>(\*)</sup> of our active current customers exclusively bank with us using digital channels, through mobile and online.

### Enhancements to our mobile app

Our mobile app means NatWest, RBS and Ulster Bank NI customers can bank whenever and wherever they need to. In 2023, we continued to evolve our app to provide even more ways to make it easier for customers to manage their money. Examples include:

- **Universal Search:** A search bar on the home screen making it easier to find functionality in the mobile app.
- **High Value Payments:** Enabling personal customers to make one-off payments of up to £75,000 via Multi-Factor Authentication (MFA) in the app.
- **Inbound payment notifications:** BACS and faster payment customers now get a push message to inform them when funds have been received into their account.
- **Improved facial biometrics capture:** Improvements have enabled better identification of fraudulent activity, including presentation attacks, and removed the need for customers to blink as part of the payment authorisation journey.
- **Financial Health and Support:** We enabled NatWest and Royal Bank of Scotland customers to easily view their loan arrears amount in the app. Previously, customers had to look this information up in a statement or contact a Financial Health and Support agent to confirm their outstanding balance.
- **Digital Credit Card:** From July 2023, credit card customers can view full credit card details as a digital card in the mobile app, removing the need to carry the physical card with them.
- **Business Account Mandates:** NatWest, RBS and Ulster Bank NI Business banking customers can add new signatories or third parties through the app, providing a convenient way to manage account access without visiting a branch.



### Enhancements to our mortgage journeys

We've digitalised our mortgage experiences, enabling a smoother, more consistent experience across the customer's channel of choice, whether applying for a mortgage through a broker, via our branches, online or through a price comparison website. Digitalisation also means we're putting more capability in our customers' hands, enabling self-service. Examples include the ability to generate online digital redemption statements, the ability to make regular or over-payments online, and generate certificates of title.

### Home Energy Hub

In November 2023, we launched the Home Energy Hub to help UK homeowners to identify, access and fund the measures they could take to potentially reduce home emissions and save money on their bills. Working with British Gas, Snugg, Vibrant, TrustMark and Wickes, the proposition brings together the support homeowners need to improve their energy efficiency into a simple journey, combining a digital journey with in-person support. As at 31 December 2023, the hub has had over 29,000 visits.

### Commercial & Institutional customers

We have continued to digitalise our services to support our Commercial & Institutional customers:

- Relationship managers can now access key customer information via a tablet while out in the field with customers.
- Mandates are now available via mobile and payment queries can be initiated via Bankline.
- Automated signature verification has resulted in an increase in digital service utilisation.
- Tyl by NatWest was one of only two launch partners for Tap to Pay on iPhone in the UK. Alongside Tap to Pay on Android, which was also released in 2023, the new capability empowers our customers to securely accept payments with only their mobile phone and removes the need for additional hardware or payment terminals.

(1) A digitally-active customer is someone who has accessed either their online banking platform or mobile banking app.

(\*) Within the scope of EY assurance. Refer to page 63.



## Supporting our customers and communities

### 3.9 Innovation and digitalisation continued

#### Helping businesses to reduce their carbon footprint

In 2023, [Carbon Planner](#), our tool to help business customers measure their carbon footprint, released new features based on customer insights, including automation capability in partnership with Sage Earth. Carbon Planner also connects users to NatWest energy help and support, aiming to help them save on their energy bills while reducing their emissions. Carbon Planner was awarded most successful environment programme at the 2023 Digital Leaders Award.

#### Open banking and Application Programming Interfaces (APIs)

From January 2019 to 31 December 2023, over 5 million customers have used our APIs to access their account information and 2.9 million customers have used our APIs to make a payment – initiating transactions worth over £18.2 billion.

NatWest Group has gone beyond the regulatory requirement for banks to provide Variable Recurring Payments (VRP) and can now offer this alternative payment method to businesses and consumers.

As a result, we have been recognised for this industry-first payment method by winning Best Initiative in Open Banking at the 2023 Card and Payment Awards and were shortlisted for Best Bank & PayTech Partnership at the 2023 PayTech Awards. NatWest Group is the leading UK bank in the 2023 Open Finance Global Rankings.

We won the Financial Services Innovation award at the Scottish Fintech Awards, with our Bank of APIs recognised for supporting the UK's fintech ecosystem.

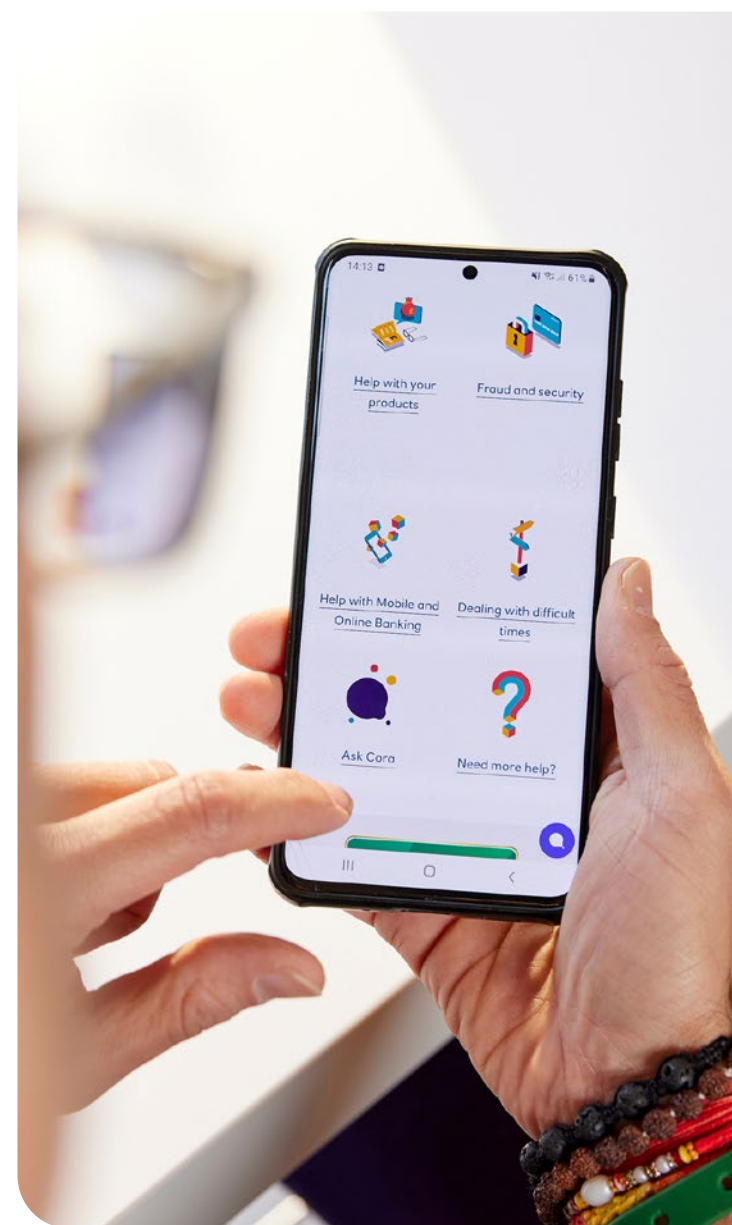
#### Digital service stability remains high

In 2023, we had consistently high performance and stability of our most critical systems, which have been available 99.99% of the time. 2023 saw two Criticality 1 incidents, compared with two for 2022 <sup>(1, 2)</sup>. These numbers include all events which had an impact on our operations, not just system issues. Through strong control frameworks, we continue to maintain focus on our operational resilience capability, with customer service a priority. In support of this, we have policies, standards and mature processes in place to minimise the potential for any technology or IT system disruptions. These include recovery procedures and incident response plans, all of which are tested on a regular basis to reduce risk.

#### Our innovation approach

We continue to take an innovative approach to working with partners to deliver the services that our customers need for the future. We aim to identify and interpret disruptive new technologies and business models and generate clarity through rapid experimentation with the aim of driving better customer outcomes.

Our scalable framework positions NatWest Group to identify, experiment with and realise benefits from the new technologies and business model concepts aligned to our strategy. It is a data-driven means of obtaining conviction in investment decisions for less-understood or new concepts.



(1) By way of illustration, a Criticality 1 incident could be a loss of key IT systems resulting in an impact to more than 15% of the bank's customers or an incident that leads to a financial loss of over £10 million.

(2) Availability of our key systems is currently calculated against our Important Business Services – those defined as the most critical.

## Supporting our customers and communities

### 3.9 Innovation and digitalisation continued

# Ethical use of AI and data

## Putting data at the heart of personalising the customer experience

We aim to help customers thrive as a data-driven, artificial intelligence (AI) powered relationship bank connected with a digital world. We use sophisticated analytics to help understand our customers' circumstances, so we can better support them.

During 2023, through enhanced engineering and advanced analytics we have:

- shared over 9.6 million prompts for fee-free options for our NatWest Rooster Money accounts
- communicated to 2.4 million customers who may be in financial difficulty, enabling us to signpost support options
- sent targeted communications to over 8 million customers who could benefit from a better interest rate on their balances, increasing uptake on a range of our savings products
- identified thousands of business customers who could benefit from certain deposit products, allowing us to contact them through digital channels.

## Our virtual assistant Cora continues to learn and evolve

In November 2023, we announced a collaboration with IBM on a generative AI initiative with enhancements to our virtual assistant Cora. This will provide our customers access to a wider range of information through conversational interactions with Cora+. It demonstrates how we are working to harness the power of responsible and ethical AI to form part of our wider strategy, collaborating with IBM and other experts to support our customers.

Through the continued digitalisation of our customer journeys, Cora is enabling self-service for customers. During 2023, Cora handled 10.8 million<sup>(\*)</sup> retail banking conversations (compared to 10.4 million in 2022) of which 49%<sup>(\*)</sup> required no human intervention.

## Ethical use of AI and data

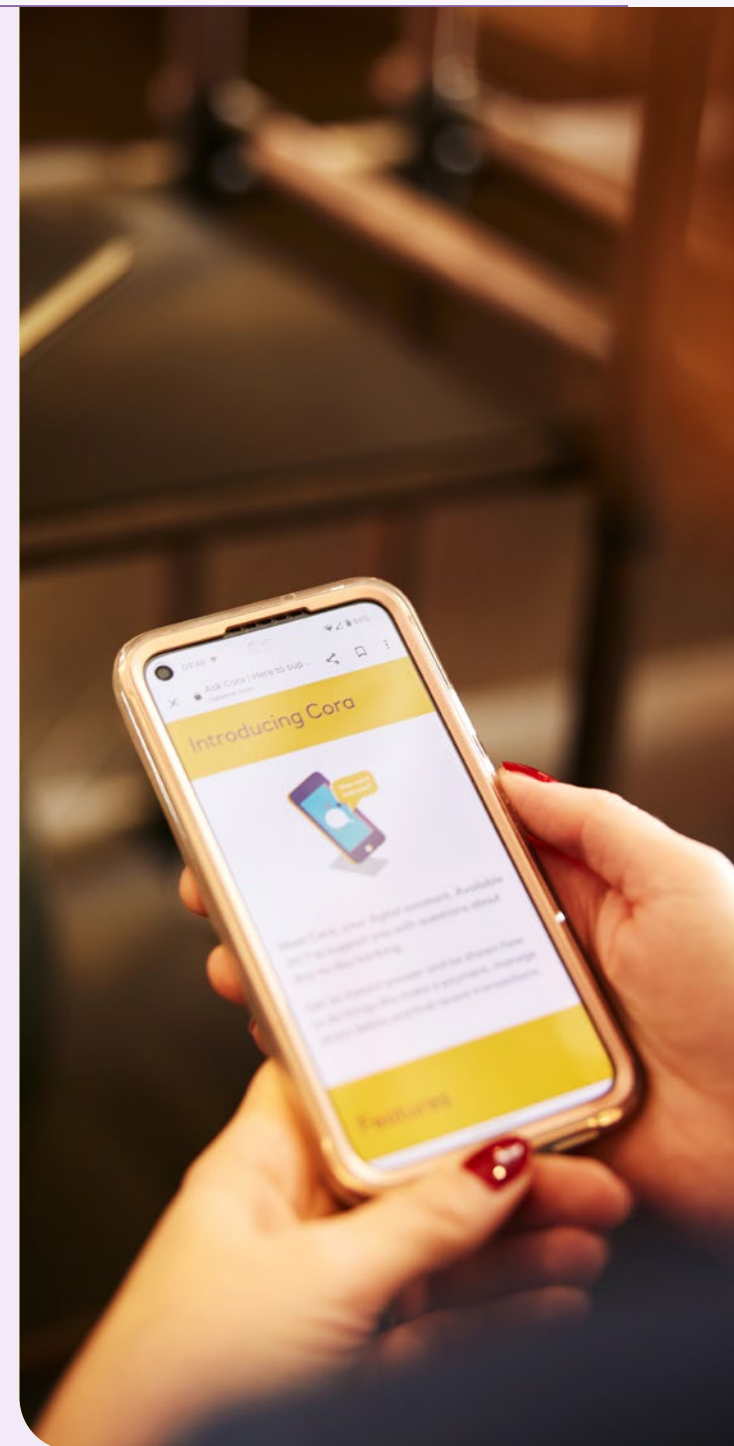
We aim to take an ethics-driven approach to data and AI. In the coming years, we intend to scale up our use of AI, aiming to significantly improve our products and our service offering to customers. Our stakeholders will expect us to make sure we do this responsibly and ethically, ensuring the right safeguards are in place to protect them.

Our customers are becoming more aware of the potential for malicious actors to abuse these tools to facilitate crime, spread disinformation and develop increasingly sophisticated AI-based fraud and scam techniques. Against this background, we aim to be ready to put enhanced controls in place to identify AI-enabled financial crime and help safeguard our customers.

As part of our approach, we are working to embed data ethics and responsible AI principles across the bank and in our employee training programmes. We will convene a Data Ethics and Responsible AI panel to own and oversee implementation of the principles. We are also working to enhance our existing risk and control framework to cope with generative AI use.

Our principles-driven approach reflects and aligns with the regulations and expectations of our supervisory authorities, who look to us to ensure good outcomes for customers. When we deploy AI-based systems, our regulators expect us to ensure that our systems are robust, secure and properly governed, and that their outcomes are easy to explain, fair and contestable.

The Leapfrog programme was launched in 2022 to develop a principles-driven control framework for data analytics, including GenAI. In 2023, we worked to embed this framework across NatWest Group policies, our control environment and infrastructure. This will enable us to meet supervisory expectations, managing the model risks that could arise from the use of advanced data analytics, while continuing to comply with existing regulations, such as the UK's data protection and privacy rules, and forthcoming regulations, such as the EU AI Act and UK Government requirements on AI.



(\*) Within the scope of EY assurance. Refer to page 63.

## Supporting our customers and communities

## 3.10 Keeping our customers and their information safe

Key ESG topic

### Cyber and information security

NatWest Group has a comprehensive set of layered security defences against new and emerging threats. These are regularly tested by both our in-house security testing team and leading experts in the cybersecurity industry. Tests also review the effectiveness of continuity plans in the event of a cyberattack.

NatWest Group's cybersecurity risk management forms an integral part of NatWest Group's overall enterprise-wide risk management framework (EWRMF). Management of cybersecurity is part of NatWest Group's wider operational risk management. To ensure we continue to defend against new and emerging threats, we have a series of programmes that develop and improve the deployed defences.

The Board and executive management are engaged in our security strategy through regular reporting on the Digital X business. The accountable executive for information and cybersecurity is NatWest Group's Chief Information Officer who presents an information and cybersecurity update to the Executive Risk Committee and Group Board Risk Committee annually as a minimum. Matters are escalated to the Board as required.

To support our cybersecurity risk management, there are information and cybersecurity policies in place which are reviewed at least annually against industry best practice. These are internally available to all colleagues.

Policies are primarily reviewed against the Information Security Forum: Standard of Good Practice (ISF: SOGP) but also any relevant publications by competent authorities such as the National Cyber Security Centre (NCSC). They are also aligned to a number of other international and industry standards including ISO 27001 and the National Institute of Standards and Technology Cyber Security Framework. Policy benchmarking is completed against the ISF: SOGP to confirm there are no control gaps. In addition, NatWest Group is certified by the IASME Consortium Ltd (IASME) in Cyber Essentials Plus, a recognised Government-owned scheme operated by the NCSC. An external audit is completed on an annual basis as part of NatWest Group's wider financial audit requirements.

Information and cybersecurity risks are part of our internal learning modules, which every colleague and contractor must complete annually, and are supported by bite-sized emails and information on our intranet. Colleagues also receive job-specific training, for example, our Security team attend courses with the Centre for the Protection of National Infrastructure and the NCSC, as well as having opportunities to gain professional qualifications. Alertline is an internal service for colleagues to report security incidents or personal safety concerns, at and away from work in relation to their employment with NatWest Group.

We have an ongoing programme of audits conducted by Internal Audit. NatWest Group has not experienced an information security breach in the last three years.

### Protecting privacy and customer confidentiality

We see privacy as a vital component of serving our customers and it is therefore embedded across all parts of our business. NatWest Group has a Privacy and Client Confidentiality (P&CC) policy which sets out the rules everyone is expected to follow to ensure compliance with relevant legal and regulatory requirements, and role responsibilities. The policy requirements are embedded within our risk processes and are subject to rigorous controls, embedded and assured against the P&CC operating model.

During 2023, while there have been a small number of breaches of GDPR and the duty of confidentiality (impacting a very small percentage of customers/employees) that we have sought to remediate, there have been no material reportable 'personal data breaches' under GDPR and no enforcement action by data protection authorities.

### Transparency

NatWest Group has adopted a layered and accessible approach to providing information about how we use our customers' and colleagues' data in the privacy notices on our websites. This information is subject to regular review to ensure it remains up to date and accessible to users across all digital platforms.

### Data transfers and collaboration

We continually refine our systems to comply with GDPR, the UK Data Protection Act and other local legislation. During 2023, we factored in the impact of UK and European case law, the progress of the Data Protection and Digital Information Bill and the Indian Digital Personal Data Protection Act 2023 on our privacy obligations and cross-border data flows. Our privacy teams are in regular contact with other internal teams to assist with initiatives such as supporting victims of financial crime and meeting our Consumer Duty obligations.

### 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, training and awareness) and review the responses to ensure that satisfactory controls exist. Training topics include:

- our privacy and client confidentiality obligations
- privacy considerations for new projects and systems
- how colleagues can recognise and respond to requests from individuals to exercise their data rights
- what to do in the event of a breach.

The privacy and client confidentiality training module is updated annually with new topics and learnings from the previous year. Job-specific training is also provided as necessary for colleagues, for example training on redactions for the Subject Access Rights Team.

We use internal processes to guide the best decision-making and the safe use, storage and sharing of information. We aim to ensure that all uses of AI are underpinned by ethical principles such as accountability, fairness and transparency, and include appropriate safeguards. We also look to ensure that customer, employee and other data is protected and secure.



## Supporting our customers and communities

### 3.10 Keeping our customers and their information safe *continued*

#### Privacy by design and default

We aim to embed privacy by design and default. This requires the integration of data protection into processing activities, business practices, products and services from the design stage of a product and through its lifecycle. We have set up a privacy by design and default project which continues to embed these requirements.

Data Protection Impact Assessments are an integral part of data protection by design and default. These assessments help us to design more efficient and effective processes for handling personal data.

#### Regulator communications and data subject rights

NatWest Group has specialist teams who respond to queries relating to data subject rights. In addition, we have a close relationship with relevant regulators and industry bodies as appropriate.

#### Protecting customers from fraud

According to the [National Fraud Initiative Report 2022](#), fraud accounts for 40% of all crimes against individuals in the UK, with [UK Finance](#) estimating that £580m was stolen by criminals in H1 2023. NatWest Group aims to combat criminal activity, investing in resources and capability to evolve defences.

#### We're using technology to protect our customers

We use best-in-class industry standard technology to detect and predict patterns of behaviour and identify financial crime and fraud. Key features to help keep our customers safe from fraud include:

**My Security Profile:** This feature shows customers how to stay safe when using our mobile app and shares advice about fraud and scams. During 2023, over 3 million customers used My Security Profile.

**Two-way 'Fraud Alert' messaging:** From March 2023, the two-way fraud alert message for Coutts Silk credit card holders allows clients to respond by SMS to confirm whether a suspected fraudulent transaction is genuine or not.

**Remote Access Tools:** In 2023, we introduced new capability that allows us to identify if a customer's device has been compromised by a criminal using new and sophisticated Remote Access Tools to search for or steal sensitive data. NatWest Group are early adopters of this industry leading capability.

**Enhanced defences:** In 2023, we deployed enhanced algorithmic based fraud and scam defences preventing more customers from falling victim to fraud and scams.

#### Fraud and scams awareness

Our seasonal shopping fraud and scams awareness campaign, All Mod Cons, ran in late November and throughout December 2023, with the aim of helping people to avoid fraud and scams during the festive period. Content focused on common scams around Christmas and on what people should do if they've been scammed. This included a video aimed at addressing the stigma of being the victim of a scam.

The All Mod Cons campaign was covered in both local and national media as well as on Instagram and TikTok channels. All Mod Cons is a board game concept which draws on NatWest Group data and aims to equip players with information on how to detect, avoid and report different kinds of scams in real life.

#### Coutts client fraud event

During 2023, we ran two all-client fraud webinar events. Our webinar 'Investment Fraud – the Long Con' was joined by 600 Coutts and NatWest premier clients, and 'It Couldn't Happen to Me, Could It?' was joined by 492 clients.

#### Payment Systems Regulator (PSR) league tables

In October 2023, PSR published Authorised Push Payment (APP) fraud performance data for 23 banks, including 14 major UK banking groups and nine smaller firms. NatWest Group:

- Ranked sixth for reimbursing customers who fell victim to APP scams, returning 62% of customer loss value.
- Had the second-lowest value of APP fraud received per £1 million of transactions. For every £1 million received into accounts, £76 was APP fraud.
- Had the fourth-lowest value of APP fraud sent per £1m of transactions amongst the 14 major UK banking groups. For every £1 million of transactions sent, £134 was lost to APP fraud.

 [Read more on the PSR website.](#)

## Supporting our customers and communities

## 3.11 Developing our approach to nature

We recognise that the systemic risks for businesses that impact and depend on nature, and the resulting effects of nature loss on society, can be material. Collective action will be required to help address the challenge, including the need to scale financial flows into global biodiversity conservation.<sup>(1)</sup>

Following the publication of the Task Force for Nature-related Disclosures (TNFD) recommendations in 2023, we recognise the need to develop the capabilities and tools to measure, monitor and report on our environmental impacts, dependencies, risks and opportunities. We aim to use initial insights from tools like the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool to inform a broader TNFD LEAP assessment to identify our material nature-related impacts, dependencies, risks and opportunities. The results of this analysis will inform the development of our approach to nature.

### Supporting the development of industry standards

In 2023, we continued to engage with key stakeholders to help develop an impactful, consistent and meaningful response to nature loss.

- In addition to chairing the Banking Working Group for the Transition Plan Taskforce (TPT), we contributed to the TPT Nature Working Group. The aim is to integrate nature considerations into climate transition plan guidance in recognition of the impact of and dependency on nature in helping to address the climate challenge.
- As part of our one-year partnership with WWF, NatWest Group sponsored [a report](#), published in January 2024, that sets out a roadmap to support a regenerative agricultural transition in England and ensure farmers are rewarded for producing nutritious food, tackling climate change and restoring nature. The report brings together views from across the UK food value chain and shows that both public and private sources will be required to ensure a fair transition towards regenerative farming.

- To support future customer engagement on nature, through our Banking Environment Initiative (BEI) membership and in collaboration with the Investment Leadership Group (ILG), we contributed to '[Let's Discuss Nature with Climate: Engagement Guide](#)' published by the Cambridge Institute for Sustainable Leadership. We continue to contribute to the Sustainable Markets Initiative Financial Services Taskforce (SMI FSTF) on nature-based industry guidance, as well as the Green Finance Institute's UK Financial Institutions for Nature Group (G-FIN) to help support investment into UK nature recovery.
- NatWest Group convened several roundtable events in 2023, aimed at exploring the converging topics of climate and nature. While investors and organisations are in the process of setting out their net-zero strategy, further development of capabilities will be required to incorporate nature and biodiversity challenges and projects into ESG strategies. Exploring the impact of nature on sovereigns, municipalities, corporates, and financial institutions, discussions examined the role of emerging frameworks such as TNFD and the European Sustainability Reporting Standards in providing guidance on integrating nature into decision-making and disclosures.

 [Read more on our approach to nature on page 18 of our 2023 Climate-related Disclosures Report.](#)

### Engaging colleagues on nature

Throughout 2023, colleagues have been invited to consider how NatWest Group impacts and is dependent on nature, as well as opportunities to engage with initiatives to help restore and protect nature in our communities.

- We hosted a Nature Hackathon in November 2023, which saw 199 colleagues from across the bank engage with a two-day innovation challenge in response to the question 'How can we help our customers to understand their impact and dependency on nature?'
- Through their web browsing in 2023, colleagues helped to fund an estimated 224,349 trees by switching to Ecosia as NatWest Group's default search engine. Ecosia is a not-for-profit organisation that channels 100% of its advertising revenue towards environmental initiatives, particularly reforestation.
- Colleagues in India have supported community-based projects to promote nature-based sustainable and climate-resilient methods of agriculture. Regenerative farming practices such as multi-cropping and the use of organic fertilisers and bio-pesticides have helped improve yields and reduce input costs.

### Developing our approach to nature in NatWest Markets NV

In 2023, NatWest Markets NV – NatWest Group's Netherlands-based subsidiary – continued to develop its approach to emerging topics such as nature. This included the extension of work started in 2022 on a high-level political, economic, sociological, technological and legal (PESTL) analysis of nature-related risk factors.

Capturing different environmental factors such as water, waste and biodiversity, the expanded assessment will be used to inform decision-making, product development, the allocation of resources and our approach to scenario analysis stress testing.

The business also implemented environmental risk scorecards to support the assessment of customer-specific risk exposure across different environmental physical and transition risks. These scorecards were applied to three priority sectors: electricity generation, land transport and logistics, and commercial real estate. We aim to expand scorecard sector coverage in 2024 as NatWest Markets NV embeds the management of environmental risks.

The lessons from this early work in NatWest Markets NV will be used to help us better understand our nature-related impacts and dependencies.

(1) Paulson Institute, Financing Nature: Closing the Global Biodiversity Financing Gap.

Supporting our customers and communities

# 3.12 Supporting our communities through giving

As a responsible business, we are committed to supporting our colleagues and customers give back to help our communities thrive.

Our direct community investment in 2023 amounted to £11.1 million<sup>(\*)</sup> compared with £13.6 million in 2022, 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.

### Colleague charitable giving

The Do Good Feel Good campaign unites our colleagues to support the causes they care about through volunteering and fundraising. In 2023, we raised over £3.8 million for good causes and volunteered over 125,000 worktime hours, providing our skills and expertise to support our communities.

We held our annual series of challenge events in September 2023, offering colleagues across the UK free access to fundraising events including walking, running, bungee jumping, abseiling and static cycling. Through this campaign and by NatWest Group matching donations, our colleagues raised over £440,000 for charitable causes.

Our longstanding partnership with The Conservation Volunteers (TCV) continued during 2023 with 3,738 colleagues taking part in environmental volunteering days, which included over 62,000 more trees planted as part of the NatWest Forest. The quality of this partnership was recognised with a Silver Award at the Corporate Engagement Awards for Best Environmental or Sustainable Programme.

### Customer charitable giving

We have innovated in recent years to make it easier for customers to give digitally. Through our Rewards account, customers donated £1 million in 2023. £1.8 million was donated in 2023 through the simple giving functionality in our mobile banking app – bringing the total raised through this channel to £7.7 million since it was launched in 2020.

Our card payment provider for businesses, Tyl, donates revenue from each transaction to its Giveback Community Fund. In 2023, it donated over £250,000 to a mixture of national and local charities.

Following the earthquake in Turkey and Syria in February 2023, we activated our support for the Disasters Emergency Committee (DEC) appeal. Over £3 million was raised to provide relief to those impacted.

### Our direct community investment in 2023

**£11.1 million<sup>(\*)</sup>**

(2022: £13.6 million)

### Giving Tuesday

We are a founding partner in the UK of the global Giving Tuesday initiative. We work with our charity partners to share stories of how, together, we are making an impact on our communities through our giving. We also use this annual day of giving to encourage colleagues to sign up for our payroll giving scheme or increase their donation by offering an incentive payment for their chosen charities. For customers, our Giving Tuesday campaign sees us match donations to charity through their Rewards account. For Giving Tuesday 2023, these two initiatives led to charities receiving an extra £350,000.

### NatWest Group independent charities

NatWest Group has two independent, well-established charities that continue to support specific activities – the Coutts Foundation<sup>(1)</sup> and NatWest Social & Community Capital.<sup>(2)</sup>



(1) Charity Registration No: 1150784.

(2) Charity Registration No: 1079626.

(\*) Within the scope of EY assurance. Refer to page 63.



Supporting our communities

3.12 Supporting our communities through giving continued

# Ongoing support for Ukraine

## Disasters Emergency Committee

Our ongoing collaboration with DEC and the £10 million raised in 2022 for the Ukraine Humanitarian Appeal was recognised with an award for Major Project of the Year at the Better Society Awards 2023.

To mark one year from the appeal going live, DEC hosted a thank you event for its supporters at our St Andrew Square office in Edinburgh. The event featured a photo exhibition showcasing the ongoing work of the DEC and the partner organisations funded in Ukraine and beyond. The exhibition was also displayed at NatWest Group offices in Edinburgh and London to allow colleagues to see the impact of their generosity.

## Gogarburn Welcome Centre

From April 2022 to June 2023, we made Gogarburn House at our headquarters in Edinburgh available to the Scottish Government and Edinburgh Council as a welcome centre for people displaced from Ukraine. Over 10,000 Ukrainian refugees passed through the Welcome Centre at Gogarburn, and through the efforts of NatWest Group volunteers, many of them received a backpack of essential goods to make their start to life in Scotland as comfortable as possible.

## Code First Girls

In a first-of-its-kind in Scotland, NatWest Group partnered with Code First Girls and the Capital City Partnership to launch a bespoke recruitment initiative for displaced Ukrainian women to build a career in coding and software engineering.

Since its launch in March 2023, we have taught 53 women to code for free. Ten of the women who completed the programme applied and were selected to complete an intensive Code First Girls Degree programme, with the potential to result in a permanent role as a software engineer at our Edinburgh offices from early 2024.

## Our colleague-led response in Poland

In 2023, our colleagues in Poland have continued to lead several initiatives to support those impacted by the Ukraine crisis. We cooperated with local NGOs in Ukraine to help renovate three buildings and a dormitory, and to furnish 90 apartments and a collective centre in the cities of

Ivano-Frankivsk and Kam'yanets'-Podil's'kyi. Colleagues promoted the employment of refugees from Ukraine in Poland, provided a scholarship programme to 500 Ukrainian students at Polish universities and a mentoring programme to develop women Ukrainian leaders. 200 colleague volunteers prepared gift bags for children, organised Polish language classes and raised money to support the healthcare of children.

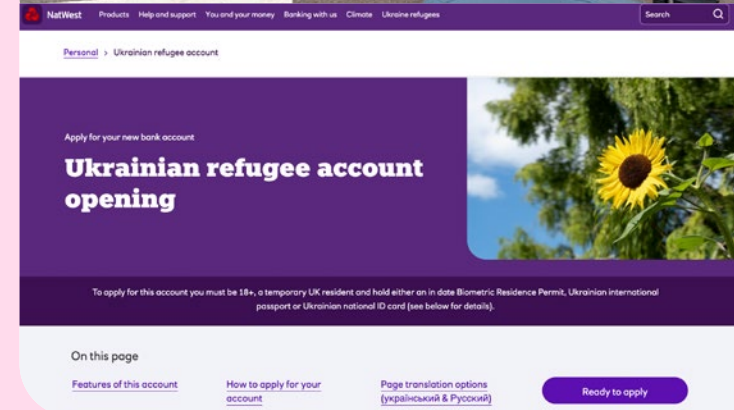
## Current Account opening

NatWest Group made it easy for people arriving from Ukraine to open a bank account. Our Retail Banking team created a bespoke journey that made it quicker and easier to access bank accounts at scale. The bank opened more than 20,000 accounts between the arrival of refugees in March 2022 and 31 December 2023.

**'We wanted to thank NatWest Group for the use of their Gogarburn site as the welcome hub for displaced Ukrainians arriving in Scotland. There is no doubt this site has played a hugely important part in our initial response and in many ways has been the flag ship of our Warm Scottish Welcome.'**

## Shirley-Anne Sommerville

Scottish Government Cabinet Secretary for Social Justice



## Supporting our colleagues

### 3.13 Championing our colleagues' potential

Key ESG topic

**Delivering long-term, sustainable performance means recognising that the skills our people need to succeed in the future will be different from those of today. We are passionate about providing our colleagues with the capabilities they need to thrive.**

We have an ambition to become a skills-driven organisation where skills will drive learning, talent, recruitment and mobility, supporting the bank's longer-term strategic workforce planning. We aim to upskill colleagues in future-focused skills by giving all colleagues a minimum of two dedicated learning days every year to build the future skills they need. We have ambition to provide our colleagues with 2.5 million hours by the end of 2026. Since launch in May 2022, 319,000 hours have been booked so far (13% of our 2026 ambition). This approach contributes to the bank's transformation plans and is embedded in our people proposition. It also aligns to our values, culture plans, skills, and behaviour framework.

#### Building skills with the NatWest Group Academy

By the end of 2026, we want everyone to have skills that prepare them for the future. The NatWest Group Academy is where colleagues can find learning that best suits their needs. All colleagues have access to a wide range of learning opportunities from quick videos and podcasts to job shadowing, short-term gigs and reskilling programmes. Since launching the NatWest Group Academy in 2020, our colleagues' elective learning has increased by 49%.

Our Learning for the Future programme focuses on ensuring our colleagues undertake the right learning to build critical skills for the future. With the help of AI, colleagues have access to a personalised learner experience with recommendations to help them better understand what skills they need and how to build them.

A pulse survey in 2023 showed that 79% of colleagues know what skills they need to develop in their career (up 7% from 2022). 81% of colleagues said that NatWest Group

provides learning tools and resources that are helpful to them. 51% of our elective learning completions have focused on building critical skills for the future, and 73% of colleagues have told us that learning they have completed has helped them develop in their role (up 11% from 2022). As a result, we were proud to achieve a bronze award for Learning Culture of the Year at the 2023 Learning & Performance Institute (LPI) Awards.

#### Cross-skilling, reskilling and upskilling

We continue to offer personalised career recommendations including mentors, learning, jobs and gigs via the Career Hub in our human resources system Workday. Gigs are small, discrete pieces of work that colleagues can perform alongside their day job and provide opportunities for cross-skilling, reskilling and upskilling. Colleagues can post gigs to request support for short-term pieces of work,

allowing them to bring new skills into their team and to develop new skills at pace. During 2023, 338 gigs were raised, providing potential opportunities for over 1,100 colleagues to develop different skills through a short-term gig opportunity.

Our rapid reskilling programmes teach colleagues the skills they need to change career direction. Over several months of intensive learning and coaching, colleagues are taught the foundational skills they need for future-focused jobs. Many colleagues who started the programme with no experience in the skills they were learning have attained a new job and career path. As of 31 December 2023, 320 colleagues have already joined our rapid reskilling programmes to build skills in software and data engineering, testing automation, human-centred design and Microsoft Dynamics since 2022.

#### Reskilling spotlight

Rachelle Maconeghy, from our Payments Technology team, was supported into a new role through one of our reskill programmes. Rachelle had been with the bank a little over five years, primarily in customer-facing roles.

She took part in a six-month rapid reskill programme to train as a Full Stack Software Engineer, where she learned the fundamentals of software engineering. After the initial bootcamp element of the training, Rachelle had the chance to put her learning into action and work on a real-world application. For 24 weeks, Rachelle and other reskillers worked through the learning and created a fully working app.

After successfully completing the programme, Rachelle joined our Orchestration team as a Software Engineer and is now creating new micro-services to replace legacy systems to improve the customer journey. She has become the Scrum Master for her team and has completed a nano degree in Amazon Web Services Cloud DevOps.



## Supporting our colleagues

### 3.13 Championing our colleagues' potential continued

#### Cross-skilling, reskilling and upskilling

153 colleagues joined in 2023, with four out of five programmes launched complete by year end. 97% of colleagues who have completed one of our reskilling programmes have accepted permanent jobs in their new field at NatWest Group.

In 2023, we continued our £1.5 million partnership with the University of Edinburgh Centre for Business, Climate Change and Sustainability to deliver tailored climate education to all NatWest Group colleagues.

 [Read more about our approach to climate education and colleague engagement on page 34 of our 2023 Climate-related Disclosures Report.](#)

#### Reskilling for the future

During 2023, the UK Mobility Hub has continued to evolve its offering, supporting colleagues going through transitional stages of their career and those impacted by change programmes. The aim is to drive internal mobility and reskilling across NatWest Group, helping colleagues upskill, reskill and find alternative opportunities in future-focused roles. The hub offers career-focused services including job matching, career coaching and guidance, and delivers our reskilling programmes.

In 2023, the UK Mobility Hub supported over 1,900 colleagues with one or more services. The Net Promoter Score® for our core five services – job matching support, career coaching one-to-one, career guidance one-to-one, career strategy and skills workshops, and career transition workshops – was +79 and we successfully redeployed 73% of the 390 colleagues who went through our job matching service.

#### Talent Academy and Ivy House

Our Talent Academy launched in 2021 to identify, develop and support our highest potential colleagues from Grades A to D to create deeper diverse talent pipelines.

Talent Academy members were offered an extensive and diverse range of development activities, with 120 exclusive events delivered focused on future skills and careers. Opportunities included career coaching, our Power MBA and Future Leader programmes, NatWest Group mentoring schemes, and a Group Executive Committee speaker series.

(1) Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM and Net Promoter SystemSM are service marks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld.

We also offered career development options such as Squiggly Careers and Personal Boardroom, as well as the Data Immersive Experience which was attended by more than 500 colleagues and shortlisted for a Learning & Performance Institute Learning Impact Award. In addition:

- Since 2022, 106 colleagues have been selected to participate in Ivy House, an external leadership programme for junior colleagues.
- Self and peer nomination resulted in a broader and more diverse applicant pool than any previous talent programmes. This was a key design principle from the outset, winning The Association for Business Psychology 'Excellence in Inclusive Assessment Experiences' award.

The cohort finished their development journey in August 2023. We continue to evolve our talent strategy to identify and progress priority talent segments, and support colleagues to progress in their careers.

#### Junior Management Team

The third bank-wide Junior Management Team was confirmed in April 2023. The JMT comprises colleagues at Grade B and mirrors the NatWest Group Executive Committee, bringing a fresh perspective and voice. Members also deliver key strategic projects to broaden their experience, exposure and connections, as well as attending Group Executive Committee.

#### Supporting our leaders' development

As at 31 December 2023, over 5,000 leaders have enrolled on the Thrive Leadership experience, giving them opportunities to learn and experiment to lead successfully. Thrive Leadership helps our leaders to build their impact and connection to our strategy. 93% of colleagues who completed a Thrive module agreed that they are doing something differently at work as a result.

Each Thrive Leadership theme is closely aligned to our refreshed values to help colleagues build skills that they can continuously apply and adapt. Thrive Leadership sits alongside the Leadership Fundamentals programme, a blended learning offering for new and aspiring leaders to help them grow or refresh their core leadership skills. 528 colleagues starting out as leaders enrolled on a new leader learning pathway in 2023, which covers the basics of people leadership centred around three key learning themes: understanding myself as a leader, leading and managing performance, and leading and developing others.

We are also developing the strategic leadership skills of a targeted group of our most senior leaders in the One Bank Leadership Team (OBLT). We have partnered with the Institute for Management Development (IMD) to create new ways to realise our potential, instil a greater sense of ambition and build capability for being data-driven with rapid experimentation.

#### Scaling experimentation

Building a culture of experimentation will help us to innovate and simplify for our stakeholders through a data-led approach to decision-making. In 2023, we developed an Experimentation Hub to inspire colleagues and provide access to learning and support resources, and a place to log and share their experiments.

#### Succession planning

We continue to embed our One Bank talent cycle, including succession planning, reviewing value-creating and specialist roles, and talent profiling. To enhance our strategic approach, in 2022 we identified the top c.200 value-creating and specialist roles that are subject to succession planning in addition to our CEO-1 and CEO-2 level roles. This enables us to proactively manage talent against these critical roles which receive Board and NatWest Group Executive Committee oversight and attention.

We began running the Succession Council in 2021, which gives potential successors the opportunity to engage directly with the NatWest Group CEO and other members of the Executive Committee. This not only offers potential successors the chance to develop their profile and visibility, but also allows members of Executive Committee to determine whether they have the ability and aspiration to reach Executive Committee level.

Over the past three years, 27 successors have attended the Succession Council, which is supported by development plans to accelerate succession readiness. Our most talented senior leaders are also given exposure through Board and Talent Connectivity sessions to discuss topics that are shaping the direction of NatWest Group. Since 2020, 59 leaders have had this opportunity. This proactive approach has enabled us to continue to build robust, diverse succession plans during 2023. In H1 2023, we designed and launched a talent toolkit to embed the One Bank talent cycle deeper into the organisation, building strong talent pipelines and increasing visibility.



## Supporting our colleagues

### 3.13 Championing our colleagues' potential continued

#### Inclusive recruitment

To make sure our managers have the right skills to interview and provide a positive experience to every candidate, we have refreshed and re-launched our 'Interviewing at NatWest' training to help maintain a bias-free recruitment process. This includes 90 minutes of learning across two modules – 'Interviewing Skills' and 'Championing Potential through our interviews' (which is inclusion-focused). The learning is mandatory for all hiring managers when they open a vacancy.

During 2023, we have re-engaged and retrained new and existing Inclusive Interview Ambassadors. This initiative involves colleagues from across the business who have been trained to interview and support hiring managers to bring diversity of thought and challenge to our interview panels. We continue to use our Recruitment Yes Check to ensure hiring managers consider inclusion throughout the recruitment process.

#### External

**48%**

of senior vacancies filled by external candidates in 2023

**48%**

of senior external hires in 2023 were female, and 22% from an ethnic minority background

We have formed a successful partnership with the Return Hub, a firm which specialises in recruitment of senior female candidates. In 2023, we hired one new senior CEO-3 woman through the programme and interviewed 80 candidates across the organisation.

We continue to utilise several flexible contingent labour channels to support delivery – retaining the ability to dial up or dial down at pace remains important. We continue to focus on increasing and improving permanent technical capability, reducing dependency on contingent labour.

We continue to focus on bringing diversity into the organisation through our recruitment and in 2023 have achieved a strong gender and ethnicity profile in the recruitment of our senior vacancies (see below).

#### Internal

**52%**

of senior vacancies filled by internal candidates in 2023

**47%**

of senior internal hires who started new roles in 2023 were female, and 8% from an ethnic minority background

#### Early career programme

We are investing in building future talent capability through our early career programmes. In 2023, we increased our intake across all programmes, hiring over 1,400 graduates, interns and apprentices, including 158 apprentices from a lower-income socio-economic background.<sup>(1)</sup> Since 2022, we have also improved our gender and ethnicity representation across our early careers programme intake.

For a full breakdown of our early career programme profiles, refer to our 2023 Non-Financial information datasheet.



**36<sup>th</sup>**

in the UK The Times 100 graduate employers league table



**22<sup>nd</sup>**

in the RateMyPlacement.co.uk Best 100 Student Employers 2023–2024



**51<sup>st</sup>**

in the RateMyApprenticeship.co.uk Best 100 Apprenticeship Employers 2023–2024



(1) Through working with third-party organisations, eligibility is based on qualification for Free School Meals (FSM) in secondary education; residence in bottom 30% areas of the Index of Multiple Deprivation (IMD); and other personal disadvantage.

## Supporting our colleagues

## 3.14 Performance management, fair reward and engagement

Key ESG topic

Our colleagues are the heart of our business. By supporting them in what they do, we can champion their potential and collectively deliver on our strategy and purpose.

### Performance management transformation

Performance management has the potential to be a key enabler of our culture and needs to continue to evolve to mirror our strategic ambitions. We have been on a journey in 2023 to understand more about the impact of performance management.

In 2024, we will be rolling out our brand-new Performance Management approach, Beyond.

[Read more in the Strategic Report in the NatWest Group plc 2023 Annual Report and Accounts.](#)

### Wider workforce remuneration

We are committed to paying our colleagues fairly, knowing this helps them feel valued, respected and recognised for the work they do. Our Fair Pay Charter sets out our commitment to pay all our colleagues competitively and transparently, and our reward policy is updated to reflect the current and future needs of the business.

We are proud to be accredited as a Living Wage Employer by the Living Wage Foundation, demonstrating our commitment to paying wages that meet the true cost of living in the UK. Our rates of pay continue to exceed the Living Wage Foundation benchmarks. For our hubs outside the UK, we continue to pay above the minimum and living wage rates.

In 2023, we furthered our commitment to fair pay by achieving accreditation as a Regional Living Wage Employer from the Fair Wage Network and are now recognised as a Global Living Wage Employer. This demonstrates how we take steps, in every location we operate, to ensure our colleagues are paid enough to have a decent standard of living, including food, water, housing, education, healthcare, transport, clothing and other essential needs, such as provision for unexpected events.

[Read more about our Fair Pay charter.](#)

### Aligning remuneration to delivery of ESG measures

The process to determine variable pay for executive directors continues to reflect progress against our ESG priorities, with goals and targets in the 2023 annual bonus scorecard for Executive Directors related to climate, enterprise and financial capability. Read page 51 for details of how executive remuneration aligns with our ESG priorities and the five principles of a purpose-led business, as set out in the Blueprint for Better Business framework.

[Read more about the performance assessment against the 2023 ED performance measures and how our stakeholders shape our approach in the 2023 Directors' Remuneration Report in our NatWest Group 2023 Annual Report and Accounts.](#)

### Engaging with employee representatives

Regular interactions with our employee representatives, such as trade unions, elected employee bodies and works councils, are a vital means of transparency and engagement for us. We frequently use these sessions to discuss developments and updates on the progress of our strategic priorities. We are committed to respecting our employees' right of freedom of association across all our business and we share information about our employee representative bodies with our colleagues on our intranet. Approximately 72% of our employees are covered by a collective agreement and/or employee representative arrangements.

In addition, through the NatWest Group-wide Colleague Advisory Panel (CAP), colleagues can engage directly with senior management and the Board on topics which are important to them, strengthening the voice of colleagues in the boardroom.

The CAP is chaired by Roisin Donnelly, one of our non-executive directors. Membership is refreshed regularly and comprises 28 colleagues who are self-nominated or part of an employee representative body.

We design our selection process to ensure membership is representative of the bank's population, considering business area, organisation level, location, working pattern and employee-led networks. Thereafter, the representatives for each area are selected at random to ensure that everyone has a chance to participate and to minimise the risk of bias in the process.

The CAP met with representatives from the Board twice in 2023 to discuss issues such as:

- executive and wider workforce remuneration
- ESG
- consumer duty
- human rights.

Supporting our colleagues

# 3.15 Diversity, equity and inclusion

Key ESG topic

Creating a diverse, equitable and inclusive workplace is integral to fulfilling our purpose. We want to give everyone who works here, and every customer who comes into contact with us, the chance to succeed and the support to thrive.

## Our progress and targets

### Inclusive workplace

Colleague sentiment on inclusion is measured via Our View, our colleague engagement survey using questions such as ‘The business supports diversity and inclusion in the workplace (recognising and respecting the value of people’s differences)’. In 2023, 93% of colleagues told us that they believe NatWest Group promotes an inclusive culture. We are 10% above the Global Financial Services Norm (GFSN) and 7% above the Global High Performance Norm (GHPN).

We ran a smaller pulse survey in May 2023, focused on championing belonging, in which 95% of colleagues told us they feel comfortable being themselves at work (a 2 percentage point increase from last year). In 2023, for the first time, we asked our colleagues whether they thought our work environment is accepting of everyone; 94% of colleagues agreed (+6 vs Global Financial Services Norm).

**41%<sup>(\*)</sup>**

women in our CEO-3 and above global roles as at 31 December 2023

(2021: 38%, 2022: 40%)

**13%<sup>(\*)</sup>**

colleagues from ethnic minority backgrounds in our CEO-4 and above UK roles as at 31 December 2023

(2021: 11%, 2022: 11%)

**1.9%**

colleagues who identify as Black in the UK in CEO-5 and above roles as at 31 December 2023

(2021: 1.5%, 2022: 1.5%)

### Gender

We continuously monitor and report against our diversity targets. We have a target for full gender balance in CEO-3 positions and above globally by the end of 2030. As at 31 December 2023, we had 41% women in our top three layers,<sup>(1)</sup> an increase of 1 percentage point since 2022. This represents an increase of 12 percentage points since targets were introduced in 2015.<sup>(1)</sup>

We were included in the Times Top 50 Employers for Women list, a position we have held since 2006 and placed in the Bloomberg Global Gender Equality Index for the 7<sup>th</sup> consecutive year. We were ranked 22<sup>nd</sup> in the FTSE Women Leaders Review and we were recognised as one of India’s Top 50 Best Workplaces for Women by the Great Place to Work Institute.



### Ethnicity

Introduced in 2018, our target is to have 14% of colleagues from ethnic minority groups in CEO-4 and above positions in the UK by end of 2025. As at 31 December 2023, of 84% of colleagues who disclosed their ethnicity, we have an aggregate 13% of colleagues from ethnic minority groups in our CEO-4 and above positions.<sup>(1)</sup> This represents a 5 percentage point increase since targets were introduced<sup>(1)</sup> and a 2 percentage point increase from 2022. Overall, of those who disclose their ethnicity, 20% of all colleagues in the UK identify as being from an ethnic minority group.

We also have a target to have Black colleagues occupying 3% of CEO-5 and above UK roles by end of 2025. As at 31 December 2023, we have 1.9% of colleagues who identify as Black in CEO-5 positions in the UK, which is a 0.4 percentage point increase from 2022. Overall, of those who disclose their ethnicity, 3% of colleagues in the UK identify as Black.

We are committed to achieving our current targets, and to ensuring that they evolve appropriately.

[Read more in our 2023 Pay Gap Report, our Banking on Racial Equality Report, the NatWest Group plc 2023 Annual Report and Accounts, and our 2023 Non-financial Information Datasheet.](#)

(1) NatWest Group’s management structures were revised during 2023. For the purpose of remuneration reporting, the representation targets were set based on the management structures in place at the start of 2023 with performance assessed at 31 December 2023.

(\*) Within the scope of EY assurance. Refer to page 63.



## Supporting our colleagues

### 3.15 Diversity, equity and inclusion continued

#### Disability

In June 2023, we sponsored and hosted the Business Disability Forums annual conference in London. The conference was titled ‘Back to the future – how should employers respond to the “new normal”?’

We heard from a range of speakers and panellists who explored how employers can change the narrative, and find ways to attract, advance and retain colleagues with disabilities and better support those with caring responsibilities.

Over 250 people attended with more than 450 people viewing the discussions, speakers and panel events online. Attendees came from a range of sectors and throughout the day they were able to showcase the great work they had underway.

#### Socio-economic diversity

Our ambition is to create an inclusive environment where everyone has the same opportunity to progress their career, irrespective of their socio-economic background. In 2023, for the first time, we marked Social Mobility Day with a panel discussion where executive sponsors, senior leaders and the CEO of Progress Together discussed the importance of this emerging part of diversity, equity and inclusion and how it intersects with other, more established strands. Around 480 colleagues participated, and it created an open forum to share personal stories, which has ignited colleague interest.

We have collected socio-economic background data from UK colleagues in our four previous Our View colleague engagement surveys which has provided us with strong data to inform our next steps. We have also supplied anonymised data to the Bridge Group and Progress Together to help build a better understanding of the scale of the challenge within our industry with regards to social mobility.

#### LGBT+

Our colleagues took to the streets in 2023 across 11 cities in the UK, as well as in India and Poland, with our biggest in-person Pride attendance to date.

Internally, we held multiple events for colleagues, and we installed inclusive flag building wraps on our key branches and our Gogarburn, London, Manchester, Southend, Birmingham and Belfast offices.

NatWest India also launched a second cohort of TRANSpire to promote employability skills for the transgender community. In 2023, the programme onboarded 11 colleagues from the community for a fully-paid six-month job training programme, supported by our Learning Academy and external training partners. The programme also introduced a Project buddy and Rainbow buddy to ensure that LGBT colleagues receive project-related and personal support throughout.

#### Neurodiversity

We continue to support our neurodivergent colleagues by the introduction of a Neuro-Developmental Pathway through our private medical cover provided by Aviva.

The pathway is an expert-led service, providing initial assessment and diagnosis of Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorder (ASD) and Tourette’s Syndrome.

The cover is designed to provide short-term support following diagnosis, either through adapted Cognitive Behavioural Therapy (CBT) and/or prescription and stabilisation of medication for ADHD. All colleagues including new joiners in Great Britain, Northern Ireland, Jersey, Guernsey and the Isle of Man can elect private medical cover and receive this benefit.



#### Family-focused leave policies

We support families and carers, ensuring they can balance family and work responsibilities in a way that supports their mental and physical wellbeing. To enable this, we offer a broad and competitive range of family-focused leave policies which reflect not just our legal obligations and local jurisdictional practices, but also our purpose. These policies include maternity, adoption, partner, shared parental, parental, carers, and dependants’ leave. To ensure continuous improvement across our policy offering, we actively listen to colleagues through our colleague experience feedback forums, our employee-led networks, our employee representatives and regular industry benchmarking.

As a result of this engagement, we launched our market-leading Partner Leave policies in January 2023 across our operations in the UK, Offshore, Republic of Ireland, US, Poland, India and Western Europe. The policy supports all eligible employees with significantly more time away from work to help their partner look after their new child, whether the new child has arrived through birth, adoption or surrogacy. The policies introduce significantly enhanced pay and leave for eligible fathers and partners to share the caring responsibilities. The policy is open to both same-sex parents and heterosexual parents. This champions the potential of both parents and promotes gender equality in the workplace.

As at 31 December 2023, over 1,200 colleagues have benefited from the policy. We also recognise we have an important role in supporting employees with other types of caring responsibilities, which is why we updated our Carers’ Leave policy in 2022 to make it easier to request carers’ leave, which can now be taken a day at a time instead of in one-week blocks.

Supporting our colleagues

# 3.16 Supporting colleague wellbeing

Key ESG topic

## Supporting colleagues with their wellbeing

Our initiative, Live Well Being You, helps our colleagues to bring the best of themselves to work, to thrive and be healthy. Guided by colleague feedback and data we invest heavily in wellbeing support tools across four wellbeing pillars ('mind', 'body', 'life' and 'money') providing awareness, understanding and knowledge to live healthy lives.

During 2023 we continued our focus on supporting colleagues' mental health, endorsing the Mental Health at Work Commitment, an external framework of standards promoting mental health in the workplace. In 2023, over 1,500 colleagues have acted as Wellbeing Champions, continuing to be upskilled in supporting colleagues. Our colleagues value the support of our Employee Assistance Programme (EAP), with over 2,000 colleagues engaging with EAP and 1,200 with the self-help digital cognitive behavioural therapy programme since launch in 2022.

## Driving innovation in wellbeing support

In March 2023, we launched our most comprehensive mental health learning programme, working with external provider Steps Drama to provide a set of eight modules. 10,000 line managers completed a mandatory module with almost 4,000 colleagues completing a total of 18,000 modules.

Our bank-wide Wellbeing Implementation Committee cascades information across our business, as well as taking feedback to develop our wellbeing strategy. To inform our future wellbeing strategy, we continued to build our data sources to focus on specific areas and deliver timely and relevant wellbeing interventions.

We extended our relationship with JAAQ (Just Ask A Question), an interactive mental health and wellbeing social media platform. In 2023, nearly 20,000 questions have been answered by JAAQ and we used data from this platform to adopt burnout as our theme for World Mental Health Day in October. Over 15,000 colleagues took part in our physical activity challenge Go23 in June 2023, logging almost 200,000 activities across two weeks.

Menopause continues to be an important topic and one we aim to fully support our colleagues with. Since its launch in 2022, 2,700 colleagues have accessed and interacted with Peppy Health for personal support. Our Let's Talk Health campaign for 2023 focused on cancer, cardiovascular health and diabetes, providing information to empower and build healthy habits to positively impact long-term health and focus on preventative strategies.

In 2023, we were confirmed as one of the top 10 UK employers for working families and won Best Mental Health Strategy at the Employee Benefits Awards and Best Mental Wellbeing Initiative at This Can Happen Awards, recognising the work we do to support bereaved colleagues. CCLA Investment Management accredited NatWest Group as Tier 2 in their Corporate Mental Health Benchmark, moving up one tier. In addition, we have been successful in obtaining the top tier of the MindForward Alliance's Thriving at Work Assessment.

In September 2023, our colleague engagement survey, Our View, recorded our internal wellbeing index at 83 percentage points, one percentage point above the Global High Performance Norm (GHPN) and five percentage points above the Global Financial Services Norm (GFSN). This survey also noted a favourable score of 93 percentage points from colleagues who felt their manager supported and encouraged their wellbeing.

[Read more about how we support colleagues with their wellbeing.](#)



## Supporting colleagues' financial wellbeing

All our graduates and apprentices 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 also have a financial wellbeing zone available, which includes tailored guides and support for all colleagues and their families across a range of financial wellbeing themes including budgeting, planning for the future or accessing expert assistance. We frequently run financial spotlights, including Money Week in May, Pensions Week in September and Financial Wellbeing Month in November.

Our new starters are enrolled in our Retirement Savings Plan (RSP), with the minimum pension contribution of 8% of fixed pay met by NatWest Group. We also encourage employees to put away more money through our award-winning 'Save More Tomorrow' campaign. This lets members automatically increase their RSP contributions every April. In 2023, we have increased active participation of our UK colleagues in our flagship RSP to 89% (2022: 86%) and have put steps in place to increase this to 100%.

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

## NatWest Group Benefits Hub

All our employees have access to benefits. Employees can access our flexible benefits programme online, choosing from pension, protection, healthcare and lifestyle options, including offers and discounts. In 2023, we added a neurodevelopmental pathway to our private medical cover, providing access to diagnoses of autism, ADHD and Tourette's Syndrome, and extended cover for dependants to the age of 25. See page 43 for more information.

# Supporting our suppliers

## 3.17 Engaging our suppliers

Key ESG topic

### Supplier Charter

In 2023, we updated the Supplier Charter to ensure it's a useful and accessible guide to working as a supplier with NatWest Group. We have an ambition to create a diverse and responsible supply chain, be fair and transparent with our suppliers and reach net zero by 2050 across our operational value chain. The charter sets out our progress to date and our ask of our suppliers in relation to ethical business conduct, real living wage, prompt payment, human rights and modern slavery, environmental sustainability and diversity, equity and inclusion. We've also added new guidance around digital accessibility, included some developments and provided learning opportunities for our suppliers and their wider value chain. The charter plays a key part in any tender or contract renewal process.

[Read more about our Supplier Charter.](#)

### Achieving our net-zero ambitions together

In 2022, we established a multi-year Supplier Decarbonisation Programme to support the delivery of the 2030 and 2050 carbon reduction ambitions related to our operational value chain. In 2023, the programme completed a pilot with a small sample of suppliers to understand the most effective way to meet NatWest Group's supply chain decarbonisation goals and embed our climate focus across our supply chain. The pilot enabled us to agree on our engagement approach and communications strategy, as well as achieve a clearer understanding of education requirements for suppliers and colleagues.

[Read more in our 2023 Climate-related Disclosures Report.](#)

### Human rights in our supply chain

We expect our suppliers to operate in an ethical, open and transparent manner and uphold the same values and commitments that we have in relation to human rights. These requirements are set out in full in our Supplier Charter and further information can be found in our Human Rights Position Statement and Statement on Modern Slavery and Human Trafficking. Through our work with

global sustainability rating company EcoVadis, we continue to better understand and measure the performance of our suppliers on policies and processes in place to protect human rights.

In 2023, we worked to identify areas where we can enhance due diligence processes around modern slavery. Completion of a standalone modern slavery e-learning module was made a mandatory requirement for supply chain managers. The completion rate was 99%.

### Measuring the sustainability of our supply chain

We continue to work with EcoVadis to conduct sustainability assessments of our suppliers. As part of the suppliers' commitment to work with us, we ask that they register on the EcoVadis platform and complete an annual assessment. This provides suppliers with valuable insight into their own company's strengths and areas of improvement across environmental and social factors. A valid scorecard will be seen favourably at tender and contract renewal.

NatWest Group has 528 suppliers on EcoVadis, scoring an average of 57.6% against the Global EcoVadis average of 45.9%. EcoVadis also conducted the annual sustainability assessment of NatWest Group, scoring 67% (increase from 62% in 2022) which is higher than the global EcoVadis average of 52%. This ranks NatWest Group in the 91<sup>st</sup> percentile.

During H1 2023 we developed a standardised set of questions to assess sustainability as part of the procurement process. This enables suppliers who are committed to sustainability, but do not use EcoVadis, to be evaluated. In H<sub>2</sub> 2023, a small pilot to allocate a weighting criteria to sustainability as part of the tender selection process was undertaken. Our ambition is to include a weighting into all tenders by the end of 2024.

### Diversifying our supply chain

We've focused on supporting small and medium-sized enterprises to work with us, particularly businesses owned by people from minority backgrounds, or by women and businesses that are socially or environmentally aware. As part of our Supplier Charter, we encourage suppliers to consider helping small-and medium-sized enterprises and review their areas of focus for ethnic minority-owned businesses.

We issued our 2023 FLAIR racial equality survey to supply chain colleagues in Q4 2023. The survey measures our progress towards a racially equitable culture within our own supply chain services operations. The 2023 results will be bench-marked against 2022.

### Learning and development

To support our supply chain teams' development, we have collated both technical and non-technical training. We have a number of sessions specifically designed to increase knowledge across all elements of Supply Chain sustainability, including climate change, modern slavery, diversity, equity and inclusion, and also our EcoVadis system to support supplier conversations.

### Paying our suppliers

Our standard payment terms are 30 days, but we have continued to maintain immediate payment on goods and services on receipt, resulting in average days to pay in H1 as 7 days, and 6 days in H<sub>2</sub>. We have also asked our suppliers through the Supplier Charter to do the same. This goes significantly beyond our commitment undertaken as a signatory to the Government's Prompt Payment Code, which requires payment to be made in 60 days. Good Business Pays is a campaign to end late or slow payments to suppliers. In 2023, NatWest Group was recognised for fast payment throughout our organisation, winning the Fast Payer Award for a third consecutive year. The table below shows the average number of days taken to pay invoices by NatWest Group's key legal entities for 2023. This information was submitted for statutory reporting purposes under Payment Practices and Performance Reporting as required by the UK Government. Data is sourced from internal reporting systems without any manual intervention for statutory reporting.

|                               | H <sub>1</sub> 2023 | H1 2023 |
|-------------------------------|---------------------|---------|
| Coutts & Company              | 5                   | 5       |
| Lombard North Central plc     | 4                   | 5       |
| National Westminster Bank plc | 6                   | 7       |
| RBSI Invoice Finance Limited  | 6                   | 4       |
| Royal Bank of Scotland plc    | 7                   | 9       |
| NatWest Markets UK            | 7                   | 7       |
| NatWest Group plc (overall)   | 6                   | 7       |



## 3.18 ESG ratings performance

We recognise the importance our investors place on ESG ratings in understanding our performance compared to industry standards and peers. Throughout the year, we have continued to engage with a number of ESG rating agencies, supporting our desire to provide stakeholders with the information they need to make informed decisions.

### MSCI Rating<sup>(5)</sup>

In December 2023, NatWest Group received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

### S&P Global CSA Score

NatWest Group scored 51 (out of 100) in the 2023 S&P Global Corporate Sustainability Assessment. As of 31 December 2023, we performed in the 87<sup>th</sup> quintile in the Banks Industry in the S&P Global Corporate Sustainability Assessment.

### Sustainalytics Risk Report<sup>(3)</sup>

In October 2023, NatWest Group received an ESG Risk Rating of 19.8 and was assessed by Morningstar Sustainalytics to be at Low Risk of experiencing material financial impacts from ESG factors. In no event shall the ESG Disclosure Report be construed as investment advice or expert opinion as defined by the applicable legislation.

### Principles for Responsible Investing<sup>(2)</sup>

Coutts outperformed the median peer group score in the latest UN-supported Principles for Responsible Investment (PRI) assessment. Our investment and stewardship policy, detailing our approach to integrating ESG principles into our investment process, was given a score of 91%.

### CDP Climate Change Disclosure

In the 2023 CDP Climate Change questionnaire we achieved a score of A (2022: B), against a Financial Services average of B. We continue to further integrate climate-related considerations within business processes and support the transition to a net-zero economy.

NatWest Group has continued to proactively respond to a number of key ESG surveys and sustainability assessments, achieving above industry average in several benchmarks.<sup>(1)</sup>

### ISS ESG Rating

As at January 2024 we have retained our ESG rating of C+ and Prime status with ISS ESG, scoring in the top performing organisations in the industry.

### Workforce Disclosure Initiative (WDI)

In 2023 we achieved a disclosure score of 59%, compared with an industry average of 64%. We have been participating since WDI's inception in 2017.

### EcoVadis

NatWest Group scored 67 (out of 100) in the 2023, placing us at the 91<sup>st</sup> percentile. We were awarded a Silver medal as a recognition of their EcoVadis Rating in March 2023.

### FTSE4Good Index Series<sup>(4)</sup>

In 2023 we achieved a score of 4.5 out of 5, placing us at the 94<sup>th</sup> percentile among banks.

- (1) The ESG ratings presented on this page are ratings that (i) have been updated in 2023/24 on NatWest Group (or its subsidiaries), and (ii) we have determined provide meaningful benchmarking against our peers and industry standards. These ratings are unsolicited and not a sponsorship, endorsement, or promotion of NatWest Group by the relevant rating provider, nor a warranty. Currently, ESG rating providers are not regulated like credit rating agencies. Some ESG ratings providers only rely on public information and outputs may be subject to data gaps. ESG rating providers use different definitions, scope and methodologies leading to variation in ESG ratings for any given company.
- (2) The transparency report alongside the assessment report can be located at <https://www.coutts.com/wealth-management/specialist-planning-services/responsible-investing/disclosure-and-policies.html> Source: UN PRI/Coutts (The peer group has been filtered to only include investment managers within Europe, with an AUM band of \$10-49.99 billion who submitted and were eligible to report). Medians for modules are calculated as the 50<sup>th</sup> percentile.
- (3) Copyright © 2024 Morningstar Sustainalytics. All rights reserved. This publication contains information developed by Sustainalytics ([www.sustainalytics.com](http://www.sustainalytics.com)). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.
- (4) FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that NatWest Group has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.
- (5) The use by NatWest Group of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein 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. MSCI names and logos are trademarks or service marks of MSCI.



# Serving our customers and communities every day

## Governance

We balance the interests of our stakeholders in our decision making. Board monitoring of ESG risks and opportunities is supported by clear roles and responsibilities across our governance structure.

- 4.1 Responsible governance
- 4.2 Aligning executive pay with ESG performance and our strategy

## 4.1 Responsible governance

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

This chart is a simplified visual of the NatWest Group-level approach to ESG governance. We follow the highest standards of corporate governance, business integrity and professionalism in all our activities. We take an integrated approach to governance, ensuring our corporate governance framework and processes support appropriate levels of oversight of key ESG issues.

Given its strategic importance, sustainability is embedded across the organisation and we will continue to monitor the effectiveness of these arrangements considering the risks and opportunities for the bank and our stakeholders. The NatWest Group plc Board, subsidiaries, Board Committees, executive fora, cross-bank working groups and day-to-day decision-making all have a role to play in the delivery of this integrated governance approach.

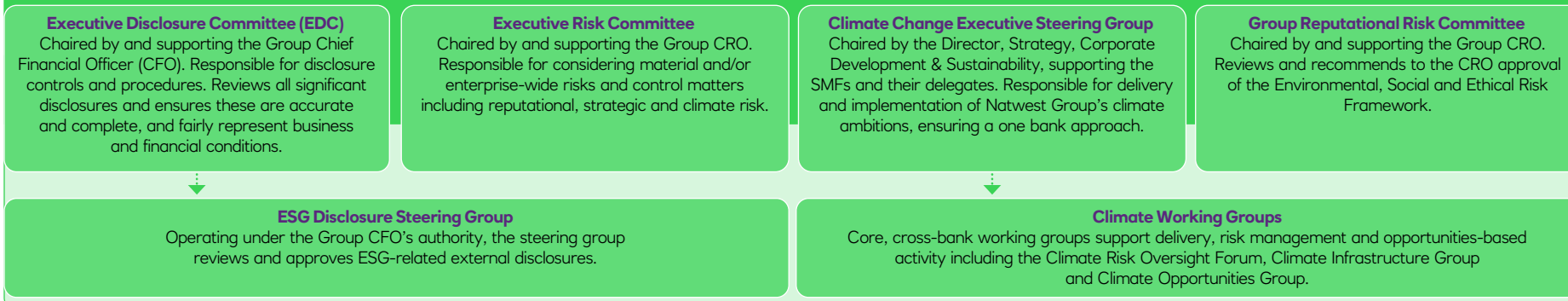
#### Board level governance

**NatWest Group plc Board** – Responsible for promoting the long-term sustainable success of NatWest Group and the setting of strategic (including ESG) aims. The Board establishes NatWest Group’s purpose, values and strategy and leads the development of NatWest Group culture, overseeing NatWest Group progress and performance.



#### Executive governance

**Group CEO** – has overall accountability for delivery of sustainable business performance. Joint Senior Manager Function (SMF)<sup>(2)</sup> accountability for identifying and managing financial risks from climate change, together with the Group Chief Risk Officer (CRO). The Group CEO’s accountabilities are delegated to the executive team.



#### Cross-bank and business level working groups

Local, business-level arrangements and cross-bank working groups, such as the Emerging Environmental Issues Working Group, Human Rights Action Group, Financial Crime Executive Steering Group and Explore Forum (Innovation and Partnerships), promote cross-bank collaboration and support executive members and their teams to explore and deliver on the ESG agenda.

(1) The Group Consumer Duty Board champion is a member.  
 (2) Senior Manager Function holder (Group CEO and Group CRO).



4.1 Responsible governance continued


How our corporate governance framework, roles and responsibilities support our strategy and ESG oversight.

Board monitoring and oversight of ESG risks and opportunities is supported by clear roles and responsibilities across our governance structure, as well as robust management reporting on our strategy and progress against targets.

**Board oversight in action**

During 2023, the Board and Board Committees have overseen progress towards achieving NatWest Group’s strategic ambitions, and external sustainability commitments to deliver sustainable long-term value for stakeholders. Strategy sessions focused on the evolving competitive landscape with a particular focus on digitalisation, machine learning and artificial intelligence and the impact that the emergence of these technologies could have on the financial services sector. A strategic approach to sustainable transitions and opportunities available to NatWest Group were also discussed by the Board.

The Board and Board Committees received a range of updates throughout the year covering ESG and sustainability related topics via reporting from the Group CEO and the executive management team (see opposite). It also received regular updates on progress against strategic targets, including climate, enterprise, learning and diversity, equity and inclusion, via a Board MI pack.

 **Read the Governance section of the NatWest Group plc 2023 Annual Report and Accounts for more detail on our Board members, our Board operating rhythm and the range of topics considered by the Board and its Committees.**

Examples of areas considered:



**Climate and environmental progress**

Progress updates and approval of the climate and nature risk appetite statement and measures. Spotlight on sustainable transitions, including the strategy and opportunities available in this area.

**People and Culture**

Considered workforce of the future; colleague engagement; and diversity. The results of the colleague opinions surveys and culture measurement reports provided insights including progress on evaluating ethics and embedding our values.

**Human rights and modern slavery**

2022 Annual Modern Slavery and Human Trafficking statement and salient human rights issues approved.

**Customer**

Focus on approach to complaints, customer relations, customer vulnerability, financial capability, and cost of living actions.



**Consumer Duty**

Board oversight of implementation of the new Consumer Duty requirements, including appointment of Consumer Duty Board Champion.



**Technology, innovation, AI and data**

Spotlights on innovation and partnerships, payments, artificial intelligence, automation and progress updates on Digital X strategy.



**Financial crime**

Group Money Laundering Reporting Officer’s Annual Report and Financial crime updates.

**Enterprise and impact measurement**

Spotlights on Enterprise and impact measurement.



**Health and safety**

Health and safety annual review at Board.



**Board and Executive succession planning**

Structured succession planning with three Director appointments and three Executive Committee appointments announced. A session was held for potential successors to the Executive Committee to meet the Board.

**Colleague Advisory Panel**

Appointed new Chair of Colleague Advisory Panel. Board discussions enhanced by inclusion of the colleague voice.

**Sustainable Banking Committee remit expanded**

Sustainable Banking Committee remit expanded to include technology, innovation, data, and Consumer Duty.

## 4.1 Responsible governance continued

### Consumer Duty

Preparation for implementation of the new Consumer Duty (CD) requirements has been a key area of discussion at Board, Executive and management meetings in 2023. The Board received a training session on CD to broaden awareness and understanding. It also appointed a new CD Board champion and enhanced the responsibilities of the Board and Sustainable Banking Committee to ensure the Board appropriately discharges its obligations under the new CD requirements.

### Climate and broader environmental governance

In line with the wider NatWest Group ESG governance model, climate and environmental governance is integrated in existing senior governance structures, building on their areas of responsibility and expertise. Nature is a developing area of focus for NatWest Group and the Board has had oversight of various matters relating to nature throughout 2023, reflecting the growing importance of this element of sustainability and its potential long-term impacts. It discussed strategic ambitions with management, and the opportunities available to the bank to take action in this area.

Bespoke Board training on nature and biodiversity helped to build directors' knowledge of the impact on local communities and how the bank might support efforts in this area. When reviewing the Board skills matrix for 2023, directors were invited to consider their experience in this area. At an executive level, we started to expand key roles to develop our capability and understanding, including appointment of a Head of Nature within the Climate Centre of Excellence. Within our Risk function we expanded a key role to become the Head of Climate and Nature Risk.

The Board and the executive has overseen progress on delivery of NatWest Group's climate ambition, including updates on the Climate transition plan. Further information on Board, Board Committee and management-level responsibilities and governance activity on climate and environmental progress are included in more detail within the Governance chapter of the 2023 [NatWest Group Climate-related Disclosures Report](#).

### Information and cybersecurity

Information and cybersecurity is overseen by the Board and its Committees. The CIO (Chief Information Officer) and CISO (Chief Information Security Officer) presented an annual spotlight to the Board Risk Committee, providing an update on the current threat landscape, progress of key activity, security testing, measuring cyber risk and future focus. To support our cybersecurity risk management, there are information and cybersecurity policies in place which are reviewed at least annually against industry best practice. NatWest Group educates its employees and customers on cybersecurity threats and has an education programme which is designed around the most relevant cybersecurity threats and incidents.

### Social matters

During 2023, the Group Sustainable Banking Committee and the Board considered social matters via management reports on supply chain, modern slavery, human rights activity and our salient issues. The Board approved NatWest Group's seventh Modern Slavery and Human Trafficking Statement and our salient human rights issues. See page 57 for more information.

The Board has had particular focus on the impacts of cost of living challenges and how the bank can best support its customers and has received regular reporting on this. It has also considered NatWest Group's approach to financial capability and customer vulnerability to improve outcomes for customers. Updates on the health and effectiveness of supplier relations and related supplier topics are provided to the Board. NatWest Group continues to take steps to embed ESG across the supply chain and the Supplier Charter was refreshed to provide better support on the principles and expectations of our supply chain. Supply chain decarbonisation pilots have also provided insights that will inform our 2024 approach. See page 45 for more information.

NatWest Group is a founding signatory of the PRB and the Group Sustainable Banking Committee has maintained oversight of PRB since its inception in 2019. All major milestones in the four-year PRB journey were achieved by September 2023 following the announcement of our ambition to help 10 million, per year, manage their financial wellbeing ambition by 2027, which is baselined and mapped to the UN Sustainable Development Goals.

### Board skills, experience and training

The Board is structured to ensure that the directors provide an appropriate combination of skills, experience and knowledge as well as independence. The Board skills matrix is reviewed by the Group Nominations and Governance Committee and approved by the Board annually. The matrix reflects directors' self-assessment of what they bring to Board discussions, in line with pre-determined criteria aligned to current and future strategic priorities. The self-assessment includes consideration of ESG knowledge and experience.

Our Board training programme builds directors' understanding and capability in areas of strategic and regulatory interest. In 2023 training has been provided on financial crime, recovery and resolution planning, digital assets, nature (delivered by the World Wide Fund for Nature), legal privilege, Consumer Duty (delivered by Oxaer), and capital management and deposits.

 [Read the Governance section of the NatWest Group plc 2023 Annual Report and Accounts for more information on Board training and the Board skills matrix.](#)

## How the Board listens to and engages with stakeholders

The directors engaged with key stakeholders throughout the year on a range of topics helping to promote their voices in the boardroom. Additional information on our approach to corporate governance, including stakeholder engagement and decision-making, can be found in the [2023 Annual Report and Accounts](#) (Section 172(1) Statement and Corporate Governance report).



### Investors

Regular updates provided to the Board on investor activity and share price performance, as well as regular bilateral engagement by directors on specific topics during the year.



### Customers

Regular updates on customer engagement activity and sentiment, including CMA survey results and Net Promoter Scores.



### Colleagues

Reports from the Colleague Advisory Panel (June and December 2023).



### Regulators

FCA and PRA attended Board meetings to present their firm evaluation letter and Periodic Summary Meeting letter respectively.



### Communities and Environment

Nature and biodiversity Board training delivered in partnership with WWF.



### Suppliers

Board engagement session with suppliers to discuss a range of issues including future opportunities for collaboration and respective sustainability strategies.

## 4.2 Aligning executive pay with ESG performance and our strategy

In addition to considering financial measures, the process to determine variable pay for executive directors continues to reflect progress against our ESG priorities. This is overseen by the Group Performance and Remuneration Committee. The combined bonus scorecard for 2023 and the assessment of satisfactory performance under the Restricted Share Plan (RSP) aligns with the five principles of a purpose-led business, as set out in the Blueprint for Better Business (BfBB) framework.

[Read the NatWest Group Directors' Remuneration Report in the NatWest Group plc 2023 Annual Report and Accounts for details of the assessment against the 2023 performance measures for executive directors.](#)

The ESG-related performance goals and measures agreed for executive directors flow through to the executive management team, adjusted as appropriate to reflect individual areas of responsibility.

In a number of areas our ESG ambitions stretch over several years. However, we are clear on the specific measures and targets set for each year and publish these for our stakeholders. The measures and targets are reviewed annually to align with our latest strategic focus areas. For the wider workforce, the annual bonus pool is based on a balanced scorecard which includes climate, customer and people measures, broadly aligning with the position taken on ESG measures for our executive directors and the executive management team.

|                              | A guardian for future generations  | Honest and fair with customers and suppliers  | A good citizen  | A responsible and responsive employer  | Has a purpose which delivers long-term sustainable performance  |
|------------------------------|--|---|---|--|---|
| <b>Variable pay for 2023</b> | <p>Tackling climate change is core to our strategy and climate performance measures are included in the bonus scorecard for executive directors.</p> <p>The climate category accounts for <b>10% of the 2023 bonus scorecard</b>. The measures are as follows:</p> <ol style="list-style-type: none"> <li>Climate and sustainable funding and financing.</li> <li>Implementation of the initial iteration of our Climate transition plan.</li> </ol> | <p>Putting customers at the heart of what we do will help people, families and businesses to thrive.</p> <p>We target customer satisfaction and the likelihood that customers will recommend our brands in annual bonus decisions.</p> <p>A weighted Net Promoter Score and Customer Touchpoint Rating accounts for <b>10% of the 2023 bonus scorecard</b>.</p> <p>RSP awards are also assessed to ensure that performance has been sustainable before the vesting takes place.</p> | <p>We can only deliver on our purpose-led strategy by continuing and deepening our relationships with all our stakeholders. There are targets to encourage and grow businesses and to increase financial capability, accounting for <b>5% of the 2023 bonus scorecard</b>.</p> <p>The Group Performance and Remuneration Committee has discretion when making decisions to ensure outcomes are fair and appropriate.</p> <p>Variable pay can also be recovered from individuals if we believe the payments are no longer justified.</p> | <p>We are determined to create a diverse workforce with an equitable and inclusive culture.</p> <p>This will also help us in serving our diverse range of customers and communities in the ways they need.</p> <p>There are targets to increase the percentage of females and colleagues from ethnic minority backgrounds in the top layers of the organisation.</p> <p>Together our purpose, culture and people targets account for <b>10% of the 2023 bonus scorecard</b>.</p> | <p>A very high proportion of pay is delivered in shares over many years.</p> <p>This encourages executive directors to think and act in the best long-term interests of all our stakeholders.</p> <p>If risk performance is not at the required level, annual bonus awards can be adjusted. RSP awards also take financial and risk considerations into account prior to vesting.</p> |
| <b>ESG alignment</b>         | <b>E</b>   |   | <b>S</b>  |  | <b>G</b>  |





# Serving our customers and communities every day


## Risk management

How we manage risk across key ESG matters.

- 5.1 How we do business
- 5.2 Environmental, social and ethical (ESE) risk management
- 5.3 Human rights
- 5.4 Tax

## 5.1 How we do business

We have four key tools to guide the way we work together:

- 1 **Our Code** – lays out the values and behaviours we expect from each other.
  - 2 **Our critical people capability behaviours** – set expectations on what behaviours are required from all of us.
  - 3 **Our policies** – and supporting guidance set out what we need to do to ensure legal and regulatory requirements are met.
  - 4 **The YES Check** – asks five simple questions to guide the thinking behind our decisions and actions.
-  [Read more on how the four key tools guide the way we work together.](#)



### Compliance

NatWest Group has a number of systems and mechanisms in place to monitor and manage compliance with 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, notification to the relevant authority.
- 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 appraisal 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 Prudential Regulation Authority (PRA).
- Regular mandatory training for all colleagues, including part-time colleagues and contractors, 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.

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

### Oversight and monitoring

The Board is responsible for receiving reports on and reviewing the effectiveness of the risk management and internal control systems of NatWest Group.

See the Governance section (pages 47 to 51) for more information about the relevant oversight roles and responsibilities of our Board and Board Committees.

### Conflicts of interest

The NatWest Group conflicts of interest policy 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. It applies to all employees, contractors and agency staff and covers all franchises, functions and legal entities within the Group.

Where third-party suppliers support the services that we provide to customers and clients, those suppliers are also required to meet the relevant requirements. Below is a description of our conflicts of interest policy. We are required to take all appropriate steps to identify and to prevent or manage conflicts where:

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

Our conflicts of interest policy identifies, with reference to the activities and services we provide, the circumstances which constitute or may give rise to conflicts that involve a risk of damage to the interests of one or more parts of NatWest 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 of interest 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. Conflicts of interest fora across both the first and second line of defence also support meeting our conflicts of interest requirements. 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 which provide services to customers whose interests may conflict; a remuneration policy that avoids 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.

## 5.1 How we do business continued

### Whistleblowing

We want our colleagues, and all those we interact with, to feel confident to raise concerns about wrongdoing or misconduct without fear of retaliation. 'Speak Up' is NatWest Group's formal whistleblowing framework, which enables individuals to report concerns in confidence (and anonymously if preferred) through a secure reporting system operated by an independent third party. This includes all employees and those acting on behalf of or representing NatWest Group such as contractors, subcontractors, suppliers, temporary staff, secondees, consultants, interns and volunteers. This also includes any persons formerly in these roles.

Colleagues using Speak Up are protected both through our internal policies and by legislation, where applicable. The Group Audit Committee monitors the effectiveness of NatWest Group's whistleblowing process, with its chair acting as whistleblowers' champion. It receives regular updates on the volume of whistleblowing reports and any common themes. 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 through Speak Up – we want to know of any concerns colleagues have about wrongdoing or misconduct that affects NatWest Group, its customers, employees, shareholders or the general public. However, examples of what can be reported through Speak Up are documented in the Speak Up policy. The 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 action. Furthermore, the harassment, victimisation or discrimination of anyone raising a genuine concern will be viewed as a disciplinary matter.

In 2023, 97% of those completing our colleague engagement survey, Our View, agreed that they know how to raise concerns about wrongdoing in their business. 91% of colleagues also agreed it was safe

to speak up in their business, and 89% believe that if they raise concerns they will be handled appropriately. In 2023, 419 reports were made compared to 355 in 2022. Of 378 reports investigated during 2023, 45% of all allegations they contained related to discrimination and harassment (including sexual harassment, racial harassment, bullying and managerial behaviour). Where reports were substantiated, appropriate action was taken to rectify the situation, following discussion with Human Resources and the respective business unit.

### Anti-trust and competition law

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 whatever the nature of their role. Under the NatWest Group competition policy, all colleagues must complete annual competition law training to ensure they understand their obligations and further specialist advice and training are also provided by our in-house competition lawyers on an ongoing basis.

### Advocacy and political involvement

NatWest Group has a long-standing policy of not making political donations and we have no political association to political parties. As a financial services organisation, we have relationships at a national and local level with most of the established political parties, who are treated in the same way as other stakeholders. As a matter of good business practice, we keep in close touch with governments 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, for example UK Finance. Where appropriate, we participate in government consultations and policy discussions to share our industry expertise and perspective.

Key ESG  
topic

### Financial crime

We understand that tackling financial crime is of fundamental importance to society. Our approach to detecting and preventing financial crime seeks to tackle the harm generated, to protect people, families and businesses, and to support compliance with relevant financial crime legislation and regulation in the jurisdictions in which we operate. Our Financial Crime Statement outlines our Financial Crime Programme, which covers anti-bribery and corruption, anti-tax evasion, anti-money laundering and counter terrorist financing, sanctions and fraud.

Our financial crime framework is built on the following pillars:

- **Policies and procedures:** These support our business to prevent, detect and address financial crime that may arise as a result of our operations, products, services, our customers and suppliers.
- **Regular risk assessments:** These support the bank to continue to strengthen procedures in line with our inherent risks.
- **Independent audit:** This continuously assesses the effectiveness of our controls.
- **Customers:** We seek to know our customers by undertaking risk based due diligence and monitoring.
- **Process and technology:** We aim to have high-quality detection and prevention systems and controls across the bank to manage the risks presented.
- **Culture and colleagues:** We aim to have a culture of financial crime detection and prevention among all our colleagues, with deep expertise in all specialist roles. We undertake annual colleague training, as well as colleague awareness activity so that everyone understands the role that they play in tackling financial crime. We also undertake customer awareness to help them protect themselves from financial crime. In addition in 2023, all colleagues in the bank had a performance objective to prevent and detect financial crime.
- **Partnership working:** We recognise that we cannot tackle financial crime in isolation. However, we strive to be an industry leader, and we work with partners including industry bodies, law enforcement, regulators and government to tackle financial crime.
- **Governance:** We have financial crime governance in place to enable the oversight of our financial crime framework.

NatWest Group seeks to detect and prevent financial crime and fraud to protect the bank, people, families, and businesses. The Group strives to avoid breaches in financial crime and fraud legislation.

[Read more on detecting and preventing financial crime on our Financial Crime web page and in our Financial Crime Statement.](#)



## 5.2 Environmental, social and ethical (ESE) risk management

### Environmental, social and ethical (ESE) risk management

We recognise that the activities of our customers can have ESE impacts – including polluting activities and the potential for human rights infringements. The ESE Risk Framework forms part of NatWest Group’s overall Reputational Risk policy and requires enhanced due diligence to be performed for certain customer relationships, transactions, activities and projects.

To manage these risks, we have developed Risk Acceptance Criteria (RAC) for nine sectors which present heightened ESE risk. These define the level of ESE risk the bank is prepared to accept. The ESE Risk Framework applies to all legal entities within NatWest Group for the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services). Customers are assessed at onboarding and during the lifecycle of their relationship. Some of the activities which we prohibit include: provision of sexual entertainment venues, the manufacture, sale, trade, servicing or stockpiling of Highly Controversial Weapons, establishing new coal relationships and customers

using harmful child labour, forced labour, modern slavery or human trafficking.

We also have an ESE risk concerns process which seeks to ensure that ESE risk is identified and managed for customers and transactions in sectors which are not covered by RAC, or where there may be multiple issues or complexities. Examples might include major or sustained environmental, human rights, modern slavery issues in sectors such as agriculture and food, chemicals, tobacco, pharmaceuticals and waste management, or companies associated with controversial projects.

All customers who fall into the ‘restricted’ ESE risk category (see page 56) are subject to enhanced due diligence. This includes ensuring that companies have relevant policies and procedures to manage ESE risks and the capacity to manage these risks through good governance and control. It also assesses the companies’ external ESE track record. All restricted customer relationships are approved by a business segment or legal entity accountable executive and where material, may be escalated to the Group Reputational Risk Committee. The Group Reputational Risk Committee may review the appropriateness of transaction, customer or product specific cases, or specific matters which could have bank-wide reputational risk implications.

ESE Risk Framework oversight and effectiveness is provided by the Risk Function and reported annually to the Group Reputational Risk Committee. An overview of the ESE risk framework is provided on page 56.

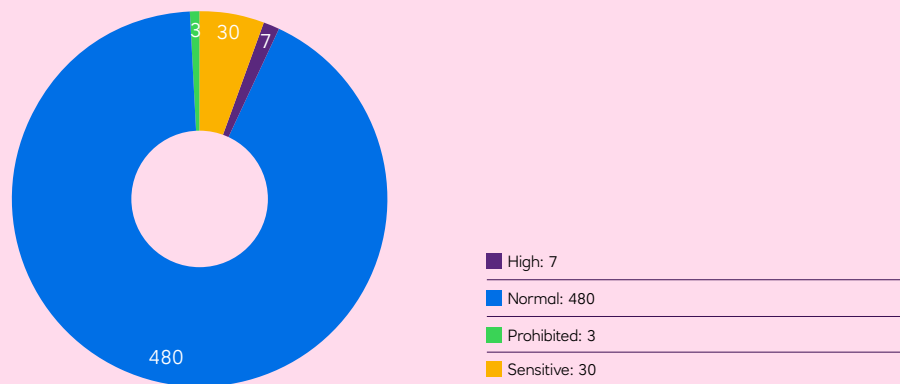
In early 2023, we announced that we will not provide reserve based lending specifically for the purpose of financing oil and gas exploration, extraction and production for new customers, and, after the 31 December 2025 we will not renew, refinance or extend existing reserve based lending used specifically for the purpose of financing oil and gas exploration, extraction and production.

During 2023 we also developed a new standalone ESE Human Rights RAC that covers a range of sectors which have heightened risk specifically around human rights and modern slavery. This was one of our aims for 2023, as set out in our 2022 Modern Slavery and Human Trafficking Statement.

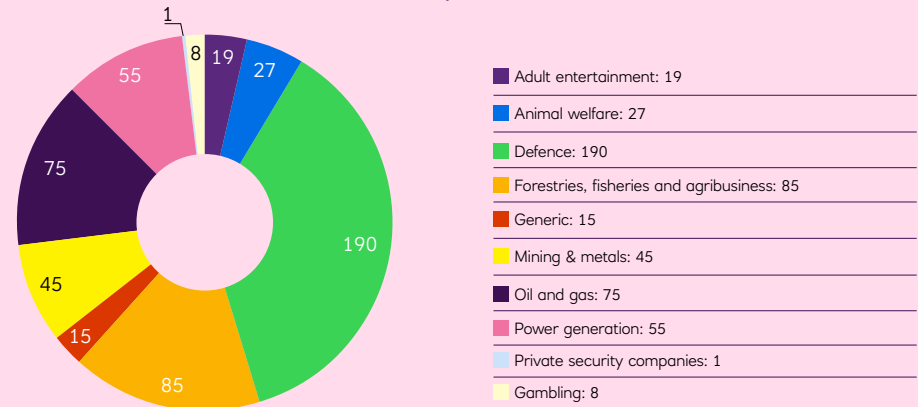
In 2023, we undertook 520 customer ESE assessments (2022: 535), and 79 trade-related transactions involving defence equipment (2022: 126).

[Read more on our ESE and reputational risk management and sector RAC.](#)

Customers assessed in 2023 by category:

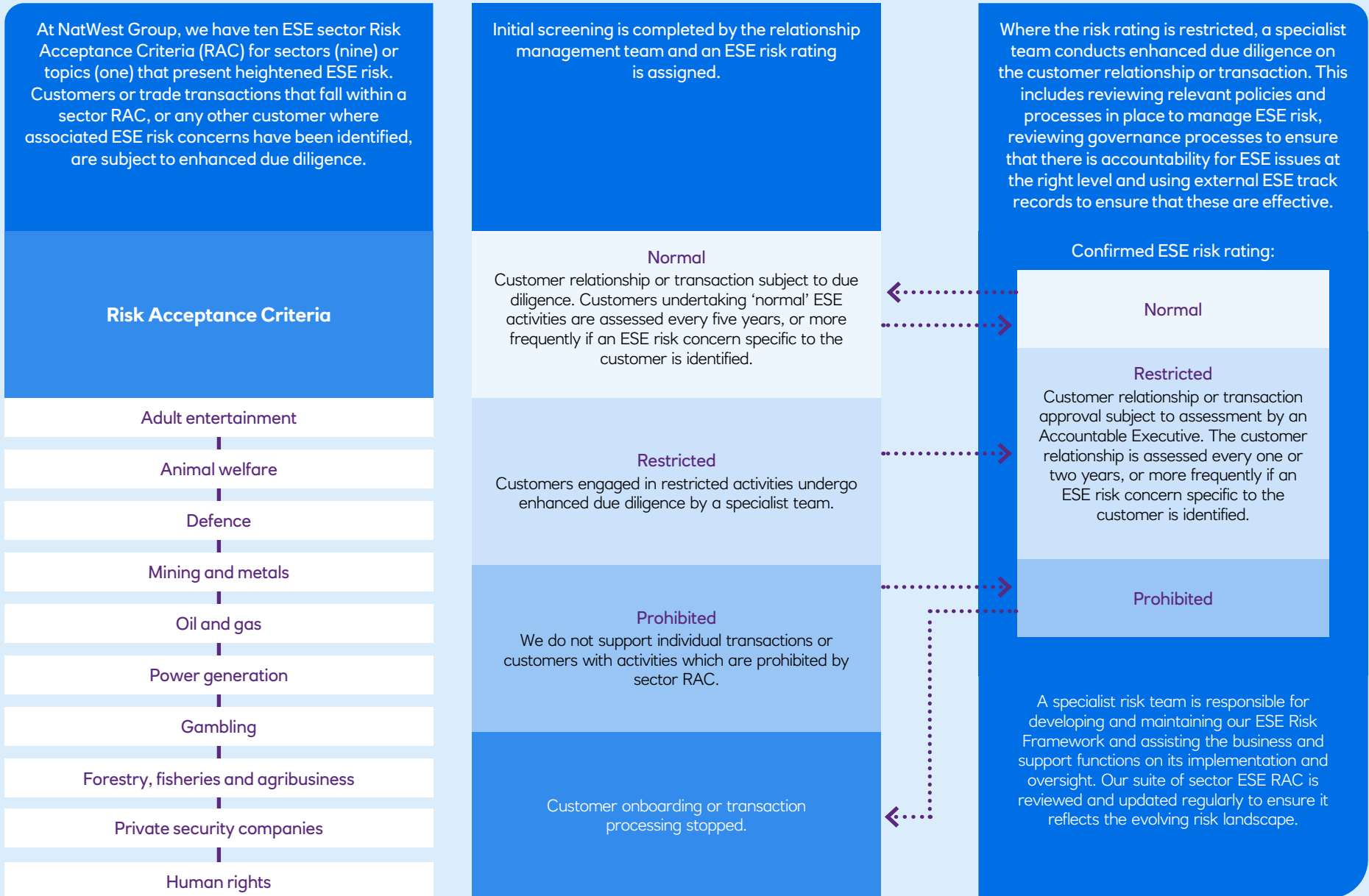


Customers assessed in 2023 by sector:



5.2 Environmental, social and ethical (ESE) risk management continued

# ESE risk framework



## 5.3 Human rights

Key ESG  
topic

### Respecting human rights

At NatWest Group, we understand that businesses have an important role to play in promoting respect for human rights and we continue our long-term, ongoing work to align our approach to internationally recognised human rights standards including the United Nations Guiding Principles (UNGPs) on Business and Human Rights, but we know that there is more we could be doing.

We work and engage with stakeholders around our responsibilities to respect human rights. We remain members of the Thun Group and UN Global Compact and we continue to adhere to reporting requirements under a range of initiatives, including the Equator Principles. Throughout 2023, we participated in several indices and benchmarks which helped to inform our activity and identify opportunities to improve and evolve our approach.

### Human Rights Action Group

In 2023, we refreshed and renamed the Human Rights Steering Group to the Human Rights Action Group (HRAG) with the aim of accelerating progress against priority actions to develop our approach to human rights. The HRAG continues to coordinate our activities, and to make recommendations to the NatWest Group Executive Committee, Sustainable Banking Committee and Board to develop and strengthen our approach.

[Read our 2022 Human Rights Position Statement.](#)

### Tackling modern slavery and human trafficking

We recognise our obligation to comply with all applicable legislation, including the UK Modern Slavery Act. We publish our annual Modern Slavery and Human Trafficking Statement, which sets out the steps that we are taking to identify and address modern slavery and human trafficking within our own operations and throughout our value chain.

NatWest Group was the highest scoring bank in the 2023 CCLA Modern Slavery UK Benchmark, achieving a Tier 2 position of evolving good practice.

While this means there is room for improvement, we were recognised for providing evidence of human rights due diligence practices on modern slavery informed by experts and/or civil society partners and activity in the “find it, fix it and prevent it” categories.

[Read the 2023 CCLA Modern Slavery UK Benchmark Report.](#)

In 2023, NatWest Group continued to be a member of the UN Global Compact’s UK Modern Slavery Working Group and participated in the Modern Slavery Act Statement Peer Review Programme, a forum where businesses can discuss the challenges of producing a Modern Slavery Act Statement. We also joined the Unseen Business Hub community, which provides us with expert webinars and updates, practical resources and access to helpline trends and analysis on high-risk sectors.

[Read our 2022 Statement on Modern Slavery and Human Trafficking.](#)

In 2023, we continued to raise awareness of modern slavery and human trafficking with colleagues. To coincide with Anti-Slavery Day in October, we published editorial content including an interview with the CEO of anti-slavery charity Unseen. During the week-long campaign we presented a series of webinars exploring four different themes of modern slavery, through real case studies. Unseen also hosted a ‘lunch and learn’ event which highlighted the realities of modern slavery, the impact on victims and examined the role that the financial services sector can play in tackling the issue.

For the fifth year, our NatWest Markets colleagues supported the TRIBE Freedom Foundation in 2023 and raised over £18,700 to assist in anti-slavery projects, which will contribute towards the long-term support for survivors and prevention of modern slavery.

### ESE Human Rights RAC

During 2023, we developed a standalone ESE Human Rights RAC which applies requirements around human rights due diligence to additional sectors with heightened human rights risk not already covered by an ESE RAC. It is in addition to checks undertaken as part of our customer due diligence processes and is also intended to help us capture data over time on concerns mapped to our salient human rights issues to ensure we better understand and address human rights risks.

We intend to test, evolve and adapt the scope of our ESE Human Rights RAC to continually improve its effectiveness. Further information on ESE Risk can be found on pages 55 to 56.

### Salient human rights issues

In December 2023, we identified six salient human rights issues which have the most potential to occur if action is not taken to prevent or address them. These are framed around five roles: Employer, Procurer, Retail Banker, Investor and Commercial Banker. **The salient human rights issues are:**

- data protection and privacy
- labour rights issues and unjust working conditions
- discrimination and lack of support for the vulnerable
- contribution to climate change
- land rights
- conflict and security.

The UNGPs Reporting Framework defines salient human rights issues as those rights that are at risk of the most severe negative impact through a company’s activities or business relationships. Our initial identification of salient human rights issues is an essential and first step in human rights due diligence in line with the UNGPs. It is intended to serve a dual purpose – enabling us to understand which actual and potential human rights impacts we should address with the greatest urgency; and providing a principled basis to identify those human rights that are relevant for disclosure. We will continue to review our salient human rights issues as our business, value chain and operating environment evolve.

[Read more about our salient human rights issues.](#)

### Global Living Wage Employer

In 2023, we furthered our commitment to fair pay by achieving accreditation as a Regional Living Wage Employer from the Fair Wage Network and are now recognised as a Global Living Wage Employer. Becoming a Global Living Wage Employer was one of our aims for 2023 as set out in the 2022 Modern Slavery and Human Trafficking Statement.

[Read our Fair Pay Charter.](#)



## 5.4 Tax payments and responsibilities

We have a responsibility 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 which has been approved by the NatWest Group Board of Directors.

We have a low appetite for tax risk. However, as one of the largest banks in the UK, we are exposed to tax risk as part of our day-to-day business. Through our internal risk management framework, we have put in place operational procedures and processes to reduce the level of tax risk arising from our operations as far as reasonably possible and help us to fulfil our global tax responsibilities. We seek to proactively identify, assess, manage and monitor tax risks arising from changes in, for example, tax legislation or practice, our business or the wider economic environment, through activities such as regular horizon scanning.

Our tax payments are used by governments to benefit wider society, for example, through investment in education, health services and infrastructure projects. During 2023, we paid a total of £1.98 billion of tax in the UK (2022: £2.17 billion). We were ranked as one of the highest

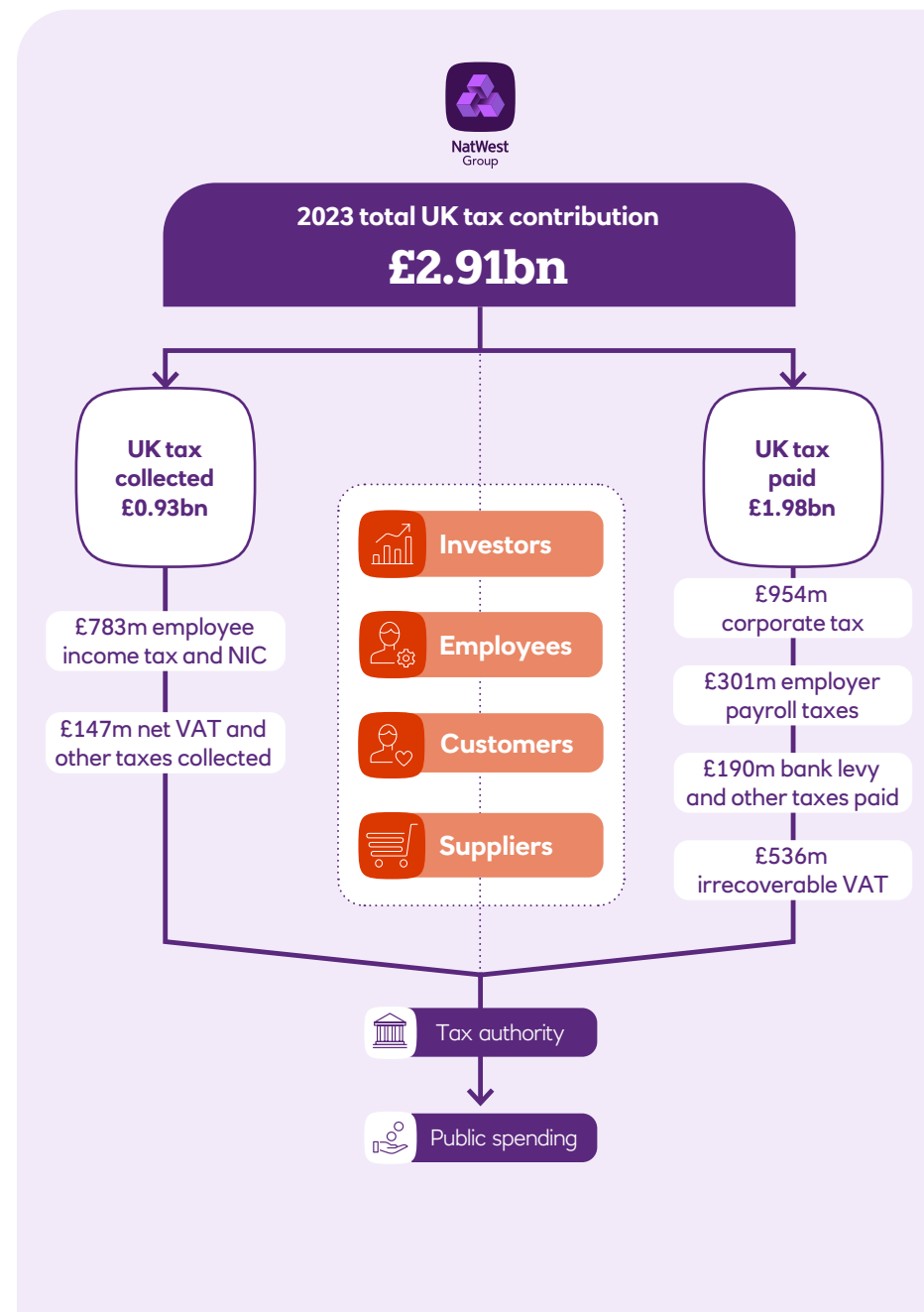
taxpayers in terms of UK taxes paid in the PwC 2023 Total Tax Contribution survey of The 100 Group, which referenced our tax payments made in 2022. The 100 Group represents members of the FTSE 100 along with several large private companies in the UK.

In addition to the taxes we pay, we also collect and administer taxes and social security contributions on behalf of governments. During 2023, we collected a total of £0.93 billion of tax on behalf of the UK Government, primarily in relation to employee income tax and National Insurance contributions (NIC).

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 zero tolerance for knowingly facilitating tax evasion. Tax evasion is a criminal activity and our approach to anti-tax evasion can be found in our [Financial Crime Statement](#).

[Read more about our approach to tax and management of tax risk in our Tax Strategy.](#)



### NatWest Group

is committed to the responsible management of our worldwide tax affairs including a compliant approach to tax law in a transparent manner.

5.4 Tax payments and responsibilities continued

Global tax contribution and operations in low tax jurisdictions

Over recent years we have substantially reduced our operations overseas and have increasingly focused on our banking activities in the UK. We have a presence in the Republic of Ireland via our regulated subsidiary Ulster Bank Ireland DAC. On 19 February 2021, we announced that we would begin a phased withdrawal from the Republic of Ireland and during 2023, this phased withdrawal continued to progress.

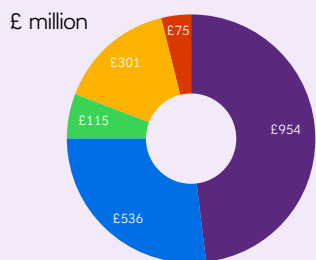
We also have a commercial presence in Jersey, Guernsey, Isle of Man, Gibraltar and Luxembourg via RBS International. RBS International is a well-established business, run through locally regulated subsidiaries and branches. RBS International offers a wide range of banking activities and is a significant local employer. 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 2023 Annual Report and Accounts (refer to note 12 of parent company accounts). All intra-group transactions are required to be priced on an ‘arm’s length’ basis, reflecting where value is created and in line with internationally accepted transfer pricing standards and local tax laws.

We support global initiatives aimed at making the global tax system more effective, for example the ‘Global Anti-Base Erosion Model Rules (Pillar Two)’ published by the OECD in December 2021 and legislated in the UK during 2023. Details of the expected impact of this initiative are disclosed in note 7 of our 2023 Annual Report and Accounts.

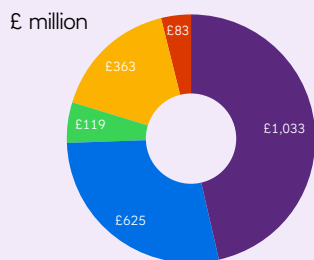
[Read more about our global corporate income tax payments and our country-by-country reports.](#)

£1.98 billion of tax was paid by NatWest Group in the UK during 2023



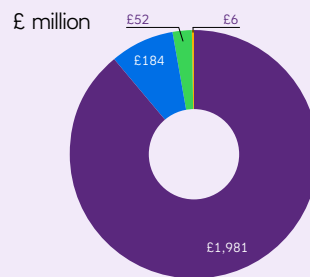
- Corporate income tax: £954 million
- Irrecoverable VAT/sales tax: £536 million
- Bank levy: £115 million
- Employer payroll taxes: £301 million
- Business rates/other taxes: £75 million

£2.22 billion of tax was paid by NatWest Group globally during 2023



- Corporate income tax: £1,033 million
- Irrecoverable VAT/sales tax: £625 million
- Bank levy: £119 million
- Employer payroll taxes: £363 million
- Business rates/other taxes: £83 million

Analysis of tax paid during 2023 by geographical region



- UK: £1,981 million
- EMEA: £184 million
- Asia-Pacific: £52 million
- Americas: £6 million

During 2023,  
**89%**  
of our total taxes were paid in the UK.

Over the last  
**five years,**  
we have paid  
**£8.3bn**  
in UK taxes to the UK Government.

We are a significant employer in the UK and in 2023 paid  
**£301m**  
in employer NIC and collected  
**£783m**  
in employee pay as you earn and NIC.

In 2023, we contributed  
**£2.9bn**  
of UK taxes through taxes paid and collected which will go towards funding valuable public services.



# Serving our customers and communities every day

## Cautionary statements

- 6.1 Important information
- 6.2 Other important information, including our assurance approach



## 6.1 Important information

### Cautions about this report

This report 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 this report is based on.

This report is prepared based on reviews and analysis of (i) our data derived from management systems that are not necessarily part of the internal controls and procedures over financial reporting used for the preparation of our IFRS financial statements; and (ii) financial, statistical and other information and data published by third parties.

### Caution about data, metrics and methodologies.

The information in this report includes non-financial metrics, estimates or other information that are subject to significant measurement uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and/or underlying data that is obtained from third parties, some of which cannot be independently verified.

The preparation of certain information in this report requires the application of a number of key judgments, assumptions and estimates, including with respect to the classification of climate and sustainable funding and financing activities. The reported measures in this report reflect good faith judgments, assumptions and estimates at the given point in time. There is a risk that these judgments, assumptions or estimates may subsequently prove to be incorrect and/or may need to be restated or changed.

The quality of the data relied upon for the purposes of climate and sustainability-related reporting is often not yet of the same standard as more traditional financial reporting, and the systems and controls that support non-financial reporting are generally considerably less sophisticated than the systems and controls for financial reporting and also include manual processes. This may result in non-comparable information between organisations and

between reporting periods within organisations as methodologies develop.

Climate and sustainability-related reporting in our industry is in its infancy compared to financial reporting. Although internationally recognised or accepted climate and sustainability-related reporting principles and standards are emerging, there is a lack of commonly accepted sustainability-related reporting practices for NatWest Group to follow or align to. Accordingly, climate and sustainability-related measures between organisations in our industry and between reporting periods within organisations may be non-comparable as reporting principles and standards develop.

The further development of accounting and/or reporting standards could materially impact the performance metrics, data points, ambitions and targets contained in this report and the reader may therefore not be able to compare performance metrics, data points, ambitions or targets from one reporting period to another, on a direct like-for-like basis. NatWest Group plans to continue to review available data sources and enhance its methodology and processes to improve the robustness of its climate and sustainability-related reporting over time aligned with recognised industry developments.

### Caution about the lack of definitions or standards.

There are an increasing number of initiatives focused on developing standardised definitions and criteria for 'green', 'social' and 'sustainable' assets and liabilities, and labelling of 'green', 'social' and 'sustainable' financial products and services.

To date, there is currently no single globally recognised or accepted, consistent and comparable set of definitions or standards (legal, regulatory or otherwise) of, nor widespread cross-market consensus

- i. as to what constitutes, a 'green', 'social' or 'sustainable' or similarly-labelled activity, product or asset; or
- ii. as to what precise attributes are required for a particular activity, product or asset to be defined as 'green', 'social' or 'sustainable' or having equivalent-labelled activity, product or asset.

Therefore, there is little certainty, and no assurance or representation is given that users of this report must not assume that NatWest Group's reporting or description of activities, products or assets will meet their present or future expectations or requirements for describing or classifying funding and financing activities as 'green', 'social', or 'sustainable' or attributing similar labels (unless a definition or standard is specified in this report). We expect policies, regulatory requirements, standards, and definitions to be developed and continuously evolve over time.

To support transparency about our process for reporting this data and measures, NatWest Group developed a Sustainability [Basis of Reporting](#) document for 2023, which details our approach, scope, and controls for selected ESG measures. It should be read together with this report and is available at [natwestgroup.com](https://natwestgroup.com).

### Caution about forward-looking statements in this report.

Certain sections in this report contain forward-looking statements, such as aims, ambitions, estimates, forecasts, plans, projections and targets and other metrics, including but not limited to:

- NatWest Group's aim to at least halve the climate impact of its financing activity by 2030 and align with the 2015 Paris Agreement;
- NatWest Group's ambition to become net zero by 2050 across its financed emissions, assets under management and operational value chain;
- NatWest Group's target to provide £100 billion climate and sustainable funding and financing between 1 July 2021 and the end of 2025;
- NatWest Group's intention not to provide reserve-based lending specifically for the purpose of financing oil and gas exploration, extraction and production for new customers, and, after the 31 December 2025 not to renew, refinance or extend existing reserve-based lending used specifically for the purpose of financing oil and gas exploration, extraction and production;

## 6.1 Important information continued

- NatWest Group’s intention not to provide reserve-based lending specifically for the purpose of financing oil and gas exploration, extraction and production for new customers, and, after the 31 December 2025 not to renew, refinance or extend existing reserve-based lending used specifically for the purpose of financing oil and gas exploration, extraction and production;
- NatWest Group’s aim to provide an additional £1 billion of lending to the UK manufacturing sector by the end of 2030, aiming to stimulate growth and help manufacturers invest in cleaner, more efficient forms of energy generation and use;
- NatWest Group’s ambition to remove barriers to enterprise and provide businesses in the UK with the support they need to grow;
- NatWest Group’s ambition to help more people start, run and grow their own business than ever before, helping them achieve success and ultimately grow and contribute to a strong national economy;
- NatWest Group’s aim to promote economic growth by supporting awareness and education around funding, investment and business growth, as well as fostering the right conditions and support for women starting and scaling up their businesses;
- NatWest Group’s aim to champion ethnic minority-led businesses;
- NatWest Group’s aim for 20% of spaces on its enterprise and accelerator programmes to go to business owners from ethnic minority backgrounds;
- NatWest Group’s ambition to help people to take control of their finances, to make the most of their money, safely and securely – now and in the future;
- NatWest Group’s ambition to help 10 million people, per year, manage their financial wellbeing by 2027;
- NatWest Group’s ambition to become a skills-driven organisation; and
- NatWest Group’s ambition to create a diverse and responsible supply chain, be fair and transparent with its suppliers and reach net zero by 2050 across its operational value chain.

Words or phrases such as ‘ambition’, ‘aim’, ‘believe’, ‘budget’, ‘continue’, ‘could’, ‘effort’, ‘estimate’, ‘expect’, ‘goal’, ‘guidance’, ‘intend’, ‘intention’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘predict’, ‘seek’, ‘should’, ‘target’, ‘will’, ‘would’ or similar expressions that convey the prospective nature of events or outcomes generally indicate other forward-looking statements.

There are many significant uncertainties, assumptions, judgements, opinions, estimates, forecasts and statements made of future expectations underlying these forward-looking statements which could cause actual results, performance, outcomes or events to differ materially from those expressed or implied in these forward-looking such statements.

The most important of these uncertainties and factors that could cause actual results and outcomes to differ materially from those expressed or implied in forward-looking statements are summarised in the ‘Risk Factors’ included on pages 417 to 441 of the NatWest Group 2023 Annual Report and Accounts (with special regard to the risk factors in relation to ‘Climate and sustainability-related risks’ that describe several particular uncertainties, climate and sustainability-related risks to which NatWest Group is exposed and which may be amended from time to time).

Other uncertainties and factors include, without limitation:

- i. the extent and pace of climate change, including the timing and manifestation of physical and transition risks;
- ii. the macroeconomic environment;
- iii. the effectiveness of actions of governments, legislators, regulators and businesses;
- iv. the response of the wider society, investors, customers, suppliers and other stakeholders to mitigate the impact of climate and sustainability-related risks;
- v. changes in customer behaviour and demand;
- vi. appetite for new markets, credit appetite, concentration risk appetite, lending and underwriting opportunities;
- vii. developments in the available technology;
- viii. the roll-out of low carbon infrastructure;
- ix. the timely implementation and integration of adequate government policies;
- x. the availability of accurate, reliable, auditable, consistent and comparable data;
- xi. lack of transparency and comparability of climate-related forward-looking methodologies;
- xii. variation in approaches and outcomes – variations in methodologies may lead to under- or overestimates, and consequently present an exaggerated indication of climate-related risk; and
- xiii. reliance on assumptions and future uncertainty (calculations of forward-looking metrics are complex and require many methodological choices and assumptions).

See also, Section 7.1 (‘Caution about climate metrics and data required for climate reporting’) and Section 7.2 (‘Climate-related and other forward-looking statements and metrics’) of the [2023 NatWest Group’s Climate-related Disclosures Report](#).

### Accordingly, undue reliance should not be placed on these statements.

Furthermore, changing national and international standards, industry and scientific practices, regulatory requirements, government policy and market expectations regarding climate change and other sustainability-related matters, which remain under continuous development, are subject to different interpretations. There can be no assurance that these standards, practices, requirements and expectations will not be interpreted differently across different regulators in different jurisdictions, or to what was NatWest Group’s understanding when defining its climate and sustainability-related ambitions and targets or change in a manner that substantially increases the cost or effort for NatWest Group to achieve such ambitions and targets.

### Caution about the use of graphics and case studies.

This report contains a number of graphics, infographics, text boxes and illustrative case studies and credentials which aim to give a high-level overview of certain elements of this report and improve accessibility for readers. These graphics, infographics, text boxes and illustrative case studies are illustrative and should be read within the context of this report as a whole.

### Caution about references to websites.

Reference to websites and other reports is made for information purposes only. Information available on such websites or in such reports is not incorporated by reference into this report. 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; or (ii) the information provided in sections of this report (Case Studies).

## 6.2 Other important information, including our assurance approach

### No duty to update.

The forward-looking statements contained in this report only speak as of the date they were published. Except to the extent legally required, we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements in this report, whether to reflect any change in our expectations regarding those forward-looking statements, any change in events, conditions or circumstances on which any such statement is based, or otherwise.

### No offer of securities or investment.

The information, statements and opinions contained in this report 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.

This report, the information, statements and disclosure included in this report are not formally part of any offering documents and are not contractually binding. This report is not intended to form part of any communication of any offering issued under this report and it is not intended to be an advertisement for the purposes of the UK Prospectus Regulation and investors should not make any investment decisions based on the information included in this report.

### Assurance

NatWest Group plc appointed Ernst & Young LLP (EY) to provide independent assurance over certain sustainability metrics and elements of the UN Principles for Responsible Banking ('UN PRB') Template. These sustainability metrics are marked with an asterisk (\*) and the UN PRB Template is presented within the ESG Frameworks Appendix. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 (July 2020) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (UK) 3000 (July 2020)').

An assurance report was issued and is available at [natwestgroup.com](https://natwestgroup.com). It includes further details on the scope, respective responsibilities, work performed, limitations and conclusion.

 [Read more: EY independent assurance statement.](#)

### Future sustainability reporting developments

In June 2023, the International Sustainability Standards Board (ISSB) issued its inaugural standards. The standards will be effective for annual reporting periods beginning on or after 1 January 2024. We continue to assess the requirements of these standards and build capability.

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information.
- IFRS S2 – Climate-related disclosures.

### Name and address

'NWG' and 'NatWest Group' mean the company and its subsidiary and associated undertakings.

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Edinburgh, EH12 1HQ





**NatWest**  
Group

**NatWest Group plc**  
**2023 Environmental,**  
**Social and Governance**  
**Disclosures Report**  
**February 2024**

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