

Environmental, Social and Ethical Risk Policy Summary

Animal Testing Sector



The NatWest Group plc and its subsidiaries (the NatWest Group) Environmental, Social and Ethical (ESE) risk management framework is one of a number of risk management systems we operate, comprising policies and processes to give us better insight into our customers' activities, help address issues of concern, minimise risks to the bank and manage stakeholder expectations. It gives clear guidance to staff on the procedures they must follow when dealing with customers and transactions in these sectors.

Our policies reflect adherence to national and international laws and regulations, wherever they apply. We have also incorporated a number of voluntary standards such as the Equator Principles and the UN Global Compact.

Scope

The Animal Testing policy deals with companies involved in animal testing (directly or through contractors) along with breeders and transporters of laboratory animals.

Context

The practice of Animal Testing faces ongoing reputational concerns linked to high profile non-governmental organisation campaigns due to concerns around animal welfare and necessity of animal research for some products, notably cosmetics.

Our ESE policy requirements

We expect and encourage our customers to demonstrate commitment and compliance to mitigating ESE risk through:

- Having in place and embedding policies and plans which demonstrate a good understanding of ESE issues.
- Demonstrating the capacity to manage these risks through good governance and controls.
- A positive track record of managing ESE risks.
- A commitment to transparency.

Within our policy we set out **Prohibited**, **Restricted** and **Normal** activities. We do not support customers involved in prohibited activities.

Customers engaged in restricted activities undergo enhanced due diligence including review by a reputational risk forum or approver and evaluation every two years. Customers undertaking 'normal' activities are assessed on a five-yearly basis.

This table highlights key activities that fall within the Animal Testing policy:

Prohibited

- Use forced labour, modern slavery or human trafficking.
- Testing on Great Apes (Chimpanzees, Bonobos, Gorillas and Orangutans).
- Testing on Critically Endangered, Endangered and Vulnerable Species (International Union for Conservation of Nature (IUCN) Red List of threatened species).
- Testing of cosmetic and tobacco products on animals except where required by regulatory authorities for human safety purposes and the company can demonstrate it is actively supporting the use of alternatives to animal testing.
- Use of unwanted pets or strays for animal research.
- Using animals for testing of products without a licence where a licence is required.
- No evidence that 3R Principles (described below) are being applied within a company or evidence of significant or repeat non-compliance with the 3Rs.
- Animal testing contracting companies with gaps in the 3R requirements and /or material adverse press.

Restricted

- Use of wild caught monkeys (e.g. marmosets, macaques) on the basis of scientific justification to the effect that the purpose of the procedure cannot be achieved by the use of an animal which has been bred for use in procedures.
- Lack of an internal ethical committee to review research/testing methodology and animal welfare, but there is sufficient evidence that 3R Principles are being applied.
- Issues identified that give cause for concern e.g. major targeted non-governmental organisation campaign against a company.
- Companies involved in the international transport of research animals with inadequate documented policies and procedures to demonstrate appropriate welfare standards.
- Animal testing contracting companies with clear policies and procedures, demonstrating a commitment and compliance to the 3R Principles (Note Prohibition above).

Normal

- Companies/organisations involved in animal research should be able to evidence clear policies and procedures for the care, welfare, treatment, sourcing, breeding and transport of animals which include commitment and compliance to the 3R Principles of Replacement, Reduction and Refinement. (See Requirements to Meet the 3Rs below).
- Companies/organisations that contract animal testing to third parties should be able to evidence that the third party has clear policies and procedures for the care, welfare, treatment, sourcing, breeding and transport of animals which include commitment and compliance to the 3R (see table below). No evidence of such would result in a Restricted rating.
- Companies/organisations abide by all national laws/regulations where they operate (in UK evidence of the three Home Office licences is required).

Meeting the Requirements of the 3Rs

Evidence of 3Rs

Policies and procedures

- Open and transparent policies about the Company's use of animal research.
- Demonstrable evidence the Company follows the 3R Principles (Replace, Reduce, Refine).
- Evidence that the Company considers how to minimise pain and distress caused to animals.

Supply chain/contractors

- Awareness of animal testing within the Company's supply chain including reviews and audits of contractors and 3rd party suppliers.

Care and treatment of animals

- Staff conducting animal research are appropriately trained.
- Good treatment of the animals, with appropriate access to food, water and housing, and access to veterinary care.
- Breeding is conducted as close to research centres as possible to minimise transport time.

Ethics

- The company/organisation has an internal ethical committee to review animal welfare (in the UK it is compulsory for all companies to have an Ethical Review Body).

External accreditation

- Where possible, independently accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC-I).