



NatWest
Group

Salient Human Rights Issues

December 2023

NatWest Group plc

Identifying salient human rights issues

At NatWest Group we understand that businesses have an important role to play in promoting respect for human rights. The United Nations Guiding Principles (UNGPs) Reporting Framework provides guidance to companies to report on human rights issues in line with their responsibility to respect human rights. We continue to align our approach to internationally recognised human rights standards, including the UNGPs on Business and Human Rights, although we acknowledge we have much more to do.

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. The focus of salient human rights issues is therefore on the most severe potential negative impacts on human rights. This initial identification of salient human rights issues is an essential and first step in human rights due diligence in line with the UNGPs on Business and Human Rights. It is intended to serve a dual purpose: (i) enabling us to understand which actual and potential human rights impacts we should address with the greatest urgency; and (ii) providing a principled basis to identify those human rights that are relevant for disclosure. Salient human rights issues should be understood as inherent risks based on the nature of our business and value chain, including the sectors and geographies where we have a presence. Salient human rights issues are selected from a much broader set of human rights impacts, and other human rights issues (outside the list of salient human rights issues) may have severe impacts and still require identification, monitoring and mitigation.

Methodology

To start the process of identifying our salient human rights issues, we worked with a specialist human rights consulting firm to undertake an analysis from the perspective of potentially affected rightsholders of how our policies, processes and governance perform against the UNGPs on Business and Human Rights. We then engaged a wide range of colleagues from each of the five roles below to conduct a broad and high-level scoping exercise to identify our salient human rights issues. The outcome of this initial assessment is intended to help us prioritise these salient human rights issues for an iterative and more in-depth assessment, including evaluation of our processes and policies. Consideration was given to who might be impacted, the scale and seriousness of the impact, the scope, remediability and likelihood of a recurrence.

Role	Activities and relationships	Range of aggregated data and inputs considered ⁽¹⁾
Employer	Looking after the rights and wellbeing of colleagues across our locations, making the bank a great place to work, enabling effectiveness, and ensuring productivity for the long term to support the transformation of NatWest Group into an agile and resilient bank that can thrive now and in the future.	<ul style="list-style-type: none"> – Our employee survey (Our View) – Whistleblowing data (Speak Up) – Supplier onboarding assessments
Procurer	Responsible for the end-to-end management of suppliers globally, undertaking sourcing, contract management and third-party risk management activities.	<ul style="list-style-type: none"> – Financial crime risk data – Complaints data – Third-party partnerships
Retail Banker	Providing a comprehensive range of banking products and related financial services to individuals in both our retail and wealth businesses.	<ul style="list-style-type: none"> – Responsible investing questionnaire
Commercial Banker	Supporting business customers, including entrepreneurs, large corporate organisations and multi-nationals, providing product solutions and expertise for day-to-day activities and future planning.	
Investor	Coutts Asset Management provides asset management services on behalf of NatWest Group, and manages investment accounts on behalf of Coutts, NatWest and Royal Bank of Scotland customers.	

Potentially affected rightsholders⁽²⁾
 A range of individuals and groups that may be impacted by these salient human rights issues have been recognised including:

- NatWest Group customers
- NatWest Group colleagues and contract workers
- Colleagues and contract workers of companies that contribute to NatWest Group operations, products or services through our value chain
- Local communities

Additional potentially vulnerable groups include:

- Women
- Children
- Migrant workers
- Indigenous people

(1) This is an illustrative list of data and sources considered.

(2) This is not an exhaustive list and we recognise that other groups may be impacted.

Illustration of NatWest Group's salient human rights issues

Data protection and privacy

This includes a failure to respect privacy rights including the misuse or inappropriate disclosure of personal data.

Conflict and security

This includes activities that lead to, or exacerbate, local conflict or the harmful use of security forces against local communities and workers which may endanger their lives, expose them to cruel, inhuman or degrading treatment or negatively affect their right to liberty and security.

Land rights

This includes forced evictions, natural resource depletion and/or contamination, which could impact the right of self-determination and standards of living and health.



Labour rights issues and unjust working conditions

This includes forced labour, including slavery and child labour, the violation of the right to freedom of association and collective bargaining, discrimination in pay, excessive working hours and unjust working conditions affecting mental and physical health and safety.

Discrimination and lack of support for the vulnerable

This covers discrimination in recruitment, employment practices and service provision based on personal and protected characteristics which leads to inequality and lack of support for the vulnerable.

Contribution to climate change

This includes both physical and transition risks and covers the negative impact of climate change on rightsholders' (particularly vulnerable communities') health and livelihoods and standard of living.

The table below indicates in which of our roles these salient human rights issues have the greatest potential to occur if action is not taken to prevent or address them.

Issue	Employer	Procurer	Retail Banker	Commercial Banker	Investor
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 prioritisation of our salient human rights issues in the above-indicated roles will allow us to focus our efforts on carrying out a more in-depth assessment, including evaluation of our processes and policies. At the same time, we will continue to monitor and, if required, address the salient human rights issues in our other roles as well.

Stakeholder engagement

In line with the UNGPs on Business and Human Rights, we engaged internal and external stakeholders to inform our understanding of our salient human rights issues, explain our conclusions and check whether any considerations had been missed. We spoke with investors, charities, colleague representative groups, a supplier and representatives of UK businesses. Stakeholders were in support of our assessment with additional considerations offered.

For human rights issues not identified as salient for a role, we discussed the inherent risks to human rights that remain, especially with regards to climate change and the potential impacts UK homeowners in our mortgage book may face. We have made addressing the climate challenge and supporting our customers in their transition to net zero a key strategic priority. Therefore, while climate change was not identified as a salient human rights issue for all roles, it is an issue we are monitoring very closely.

Stakeholders representing UK businesses expressed the list of salient human rights covered many issues and prioritisation would be important, as would working collaboratively with customers to make progress in recognising the pressures that businesses, and small businesses in particular, are under.

Reporting and management of issues

Our approach and commitment to respect human rights is covered in greater detail in our Human Rights Position Statement.

The salient human rights issues are managed through the bank's risk processes and policies, and particularly those outlined in our:

[Human Rights Position Statement | NatWest Group](#)

[Modern Slavery and Human Trafficking Statement | NatWest Group](#)

[Environmental, Social & Ethical \(ESE\) Risk Acceptance Criteria](#)

[Environmental, Social and Governance disclosures](#)

[Supplier Charter | NatWest Group](#)

[All of our press releases and company announcements are published on our website.](#)

Colleague concerns regarding human rights are managed through the Group's employee relations processes or via our whistleblowing process, Speak Up. The number of cases are reported annually in our ESG Report. Suppliers also have access to Speak Up to raise concerns.

Governance and accountability

NatWest Group Board and Sustainable Banking Committee:

The NatWest Group Board oversees the Group's progress and performance as a purpose-led organisation and oversees how NWG's obligations to its shareholders and other key stakeholders are understood and met. The Sustainable Banking Committee challenges management on ensuring the Bank's decisions are purpose-led with a focus on stakeholder impact, the social and conduct environment, reputational risk and ethical decision-making. Following review and recommendation from the Sustainable Banking Committee, the Board approves updates to the Human Rights Position Statement and Modern Slavery and Human Trafficking Statement and has approved these salient human rights issues.

Group Executive Committee:

The Group Chief Executive is supported by the Group Executive Committee in discharging their individual accountabilities for the management of NatWest Group in line with the approved Group strategy and annual priorities, including overall accountability for delivery of sustainable business performance. The NatWest Group Chief Executive delegates responsibility for management of relevant human rights issues to the Executive team.

Human Rights Action Group:

The Human Rights Action Group is the senior coordinating group providing the link between the business lines across NatWest Group. Its principal objective is to work collectively to prioritise and coordinate human rights-related activity and make recommendations to the NatWest Group Executive Committee. Membership is drawn from senior leaders from multiple business areas to help with the continuous process of identifying and mitigating potential human rights risks.



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