

Make it happen

RBS and Corporate Responsibility

SG US SIF Spring Forum
2nd April 2008



What is 'CSR' ?

Hotly debated. One definition:

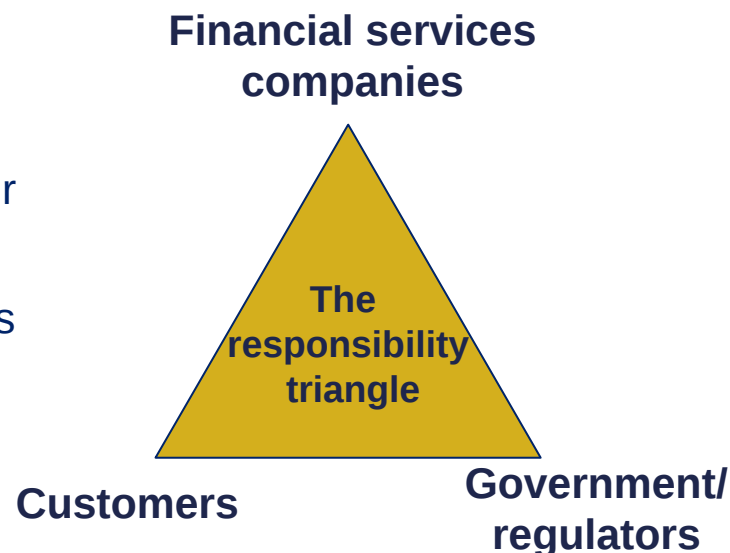
Corporate Social Responsibility (CSR) is a concept which encourages organisations to consider the interests of society by taking responsibility for the impact of the organization's activities on customers, employees, shareholders, communities and the environment in all aspects of its operations. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large. (*Wikipedia.com*)

The most re-edited entry on Wikipedia!

We prefer to see CR as a process of identifying and addressing social and environmental risks and opportunities for our business

Defining responsibility

- Banks have some responsibility for all issues and can impact upon them.....
- But sole responsibility for none - will never be resolved by our action alone
- For example the very best lending policies will fail to identify out those who wilfully misrepresent their status
- Responsibility shared between multiple parties
- Must be extremely clear about our understanding of our responsibility - and its limits – for each issue area
- and make sure we communicate this to all stakeholders



We are responsible for the things we control

- RBS is committed to managing its business responsibly from the top of the organisation
- Sir Fred Goodwin takes responsibility for this on the GEMC and Board
- CR is formally reported to GEMC and Board twice a year
- CR risks and opportunities are managed within and across the relevant divisions through a Corporate Responsibility Forum, issues based steering groups, and a number of divisional working groups.
- To focus our efforts, we put a lot of emphasis on consulting the people that matter.....

Defining our Issues- We asked our stakeholders



“In 2006 we strengthened the extent and rigour of our consultation with our stakeholders. This enabled us to understand in more depth our stakeholders’ perceptions of the issues that relate to the financial services sector.”

Sir Tom McKillop, Chairman



“Understanding and successfully balancing the views of all our stakeholders on the issues that matter to them most, for our mutual benefit, is critical to our sustainable success.”

Sir Fred Goodwin, Group Chief Executive



Stakeholder Research method overview

Qualitative Research

Focus
Groups

Expert
Interviews

Desk
Research

Understanding of the Issues

Quantitative Research

Omnibus
survey to
capture All
Adult
population

Bespoke
surveys to
capture
discrete
stakeholder
audiences

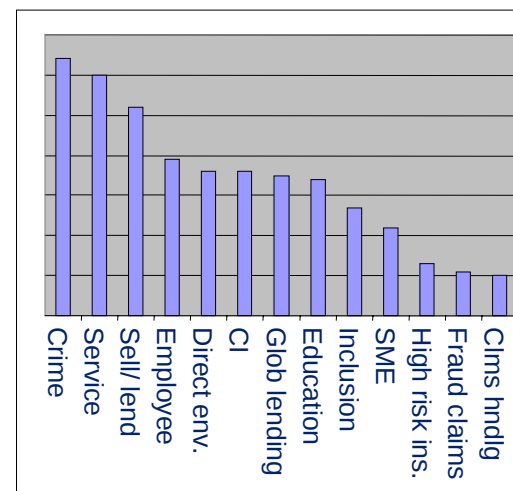
PULSE
Employee
Surveys

Prioritisation of the Issues

Overview of 2007 results

RBS GROUP CR ISSUES 2007						
	Retail Banking	Ulster Bank	Insurance	Corporate Markets	RBS America	GROUP
Financial crime and corruption	1	1	6	1	2	1
Customer service	4	3	1	4	3	2
Selling/ lending practices	2	2	3	n/a	1	3
Employee practices	7	8	7	6	5	4
Direct environmental impact	9	9	9	3	6	5
Community investment	6	6	10	5	9	6
Global lending and project finance	7	7	11	2	10	7
Financial capability	3	4	n/a	n/a	4	8
Financial inclusion	5	5	n/a	n/a	6	9
Small business support	9	10	8	n/a	8	10
High risk insurance policies	n/a	n/a	2	n/a	n/a	11
Fraudulent claims	n/a	n/a	4	n/a	n/a	12
Claims handling	n/a	n/a	5	n/a	n/a	13

GROUP issues 2007: relative importance



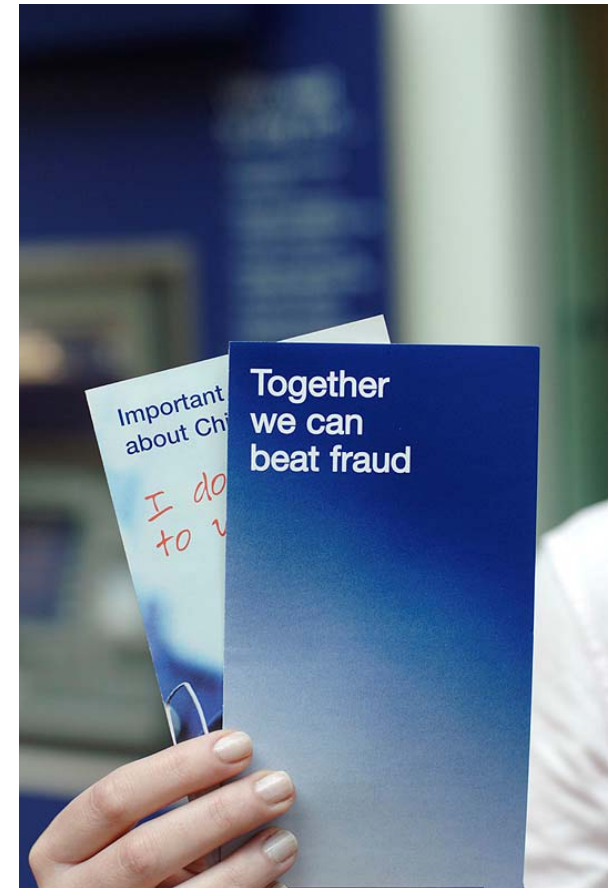
* Calculated on basis of rankings for each operating area

8 * Prioritised lists for each operating area based on combined stakeholder prioritisations. Detailed explanation of methodology and process provided in the appendix.

** Insurance rankings missing one stakeholder input. Results therefore not yet final. Still subject to change.

*** Corporate Markets and RBS America rankings based on limited data, primarily qualitative in nature. Results are indicative only.

- In 2007:
 - Offered online customer discounts on anti virus software
 - Improved the deposit-hold placement and release process at Citizens
 - 2 Factor Authentication readers have been distributed to on-line customers for NW and RBS on line banking.
 - More staff security training including consequences of internal fraud. Security & Fraud Awareness campaigns (policies, procedures, campaigns, articles and presentations to a mixture of audiences across business Divisions).
- In 2006:
 - 24% reduction in RBS global fraud losses
 - 14% reduction in RBS Internet fraud losses
 - 5% reduction in plastic card fraud
 - 2% reduction in fraud attacked against RBS
 - Sustained only 1% of industry “phishing” losses



RBS action: Customer Service

In 2007:

- In NW alone, customer advisors have increased from c. 1,450 to 2,040 over the last 9 months
- RBS has conducted 298,634 additional individual personal reviews
- Shortened and streamlined the mortgage application process
- 4 new Mobile Banks introduced. 2 for RBS (North Wales and Yorkshire) and 2 NW (Cumbria and Devon).
- 7 new branches have been opened and 3 more are planned. The no closure policy is continued.
- Extended flexible branch working hours
- Further reduced queuing
- More products to suit evolving needs – NW Welcome Account



In 2006:

- RBS consumer banking #1 for customer service & NatWest #2
- 3.5% improvement in Customer Service levels at Citizens
- 50,000 customer satisfaction questionnaires analysed per month
- Extended branches open on Saturdays to 443

RBS action: Selling and Lending

In 2007:

- More use of CRA data to validate customer info
- Extended internal data sharing - Group customer data is now operationally available.
- Formalised approach to identify problems earlier and provide support
- Central sign off for product promotions to improve clarity
- Reviewed sales process to improve customer experience. Incentives reward service
- More investment, pensions related and tax savings products
- New products to support Gov't initiatives – ISA's and Child Trust Funds. CTF also launched via Tesco to expand offering to customers.



In 2006:

- Supply and use full CRA data
- New scorecards too assess risks
- Established Credit Management Team
- ¹¹ Dealing with Debt leaflet

RBS action: Employee Practices

In 2007:

- Updated global code of conduct
- EOS question set has been revised to reduce survey length by 20% and all questions have full global application.
- Focused further our leadership development programmes
- Diversity strategy for Asia & global diversity benchmarking & reporting
- Diversity training within core development programmes
- Embedded, monitored and communicated our reward approach
- Extended RBSelect to businesses in North America and the Far East - Maternity policies have been defined and implemented within China



In 2006:

- 1,400 Senior Managers trained through Harvard Business School
- Gold Awards for diversity – Race for Opportunity and Opportunity Now

RBS action: Direct Environmental Impact

In 2007:

- 100% green electricity secured for 2008-2010 in UK and Ireland properties
- Completed 1st phase of 3 year £55m investment in UK property to reduce footprint
- Launched employee proposition - YourWorld
- Provided options for carbon offsetting to raise awareness of importance of managing footprint
- Pilot emerging technologies – solar roof tiles, biomass boilers, rainwater recycling, roof mounted wind turbines, ground source heat pumps



In 2006:

- Reduced carbon footprint by 210,000 tonnes CO2
- 74% of Group's electricity in UK and ROI purchased from renewable sources
- Moved to recycled paper for office use
- Extended coverage of EMS to property occupied by 96% of our employees



RBS action: Project Finance / EPs

In 2007

- Completed training programme to some 120 personnel globally by March
- One of only 4 banks to receive a score of 95% or higher in the CDP
- Greater transparency
- Top 3 arranger of finance for renewables globally with \$1.5bn committed
- Revisions to procedures manual and supporting programmes complete.
- AAA rating from Innovest

In 2006

- Establishment of Sustainable Development within GBM
- Supported upgraded EPs launched in July
- Developed and launched training programme
- Largest lender to renewable projects in the UK
- Lead arranger of finance for renewables globally with over \$2bn committed



RBS action: Financial Capability and Inclusion

In 2007:

- Moneysense programme extended and over 500,000 pupils participated in lessons
- RBS were the top provider, with a 31% share, of Post Office accessible basic bank accounts in the UK
- RBS was chosen as the main banking partner for ScotCash, a new Community Development Finance Institution set up to provide access to affordable credit for people in Glasgow
- Exceeded initial commitment and installed 272 free ATM's in rural and deprived areas
- 4 new mobile branches
- Media partnership with Daily Mail and Metro
- 83 inner city school banks
- Launched NW Welcome Account

In 2006:

- Largest provider of BBAs in UK through Post Offices
- £677m lent to businesses in most deprived areas
- Largest supporter of MAT - £5.83m donated.



RBS action: Community Investment

In 2007

- Improved awareness of programmes - Continued focus on Group and divisional comms - intranet, yourmag, divisional publications etc.
- Increased num of employees giving to charity
- Extended GAYE and Community Cashback overseas
- Grew Supergrounds programme
- Developed Supergrounds “vouchers for schools” through ATM’s – currently on trial



In 2006

- Invested £58.6m
- Over 25,000 employees took part in employee giving programmes generating £12.7m for over 8,500 charities in UK and Ireland
- 150 Supergrounds – 450 since launch
- 860 employees volunteered for Princes' Trust and 500 for Fairbridge



RBS action: Supporting SMEs

In 2007

- Continue roll out of the improvement programme
- Invest in staff development, marketing and auto-approval process
- More training to understand the small business customer - spent £1.6 million on launching a new Business Academy programme.
- Developed product offering - launch of 2 yrs free banking for all SMEs in July 07
- The number of business banking managers in branches has increased by 500.

In 2006

- RBS market leader in UK – 27% of customers, 34% of lending and 27% of deposits and 39% lending to deprived areas
- Added more than 500 business relationship managers into frontline branch networks in 2006
- Improved product range especially to support start ups



Key Corporate Responsibility Themes

Supporting Enterprise and Economic Development ■ Lending and support to SMEs ■ Lending to social enterprise sector ■ Lending to inner city regeneration ■ Support for businesses in difficulty ■ Group's economic contribution as a taxpayer, employer, purchaser of services	Supporting Communities ■ Give as You Earn ■ Community Cashback Programme ■ Group Community Partnerships and Programmes- Princes Trust, Face-2Face with Finance, Supergrounds ■ Supporting Employee Volunteering
Responsible Operations ■ Combating financial Crime ■ Responsible Employer ■ Health and Safety ■ Managing down direct impact on the environment	Responsible Lending and Products ■ Customer Service, Rates and Charges ■ Financial Inclusion and Capability ■ Selling and Marketing practices ■ Supporting customers in debt ■ Corporate lending to high impact sectors / projects (equator Principles etc)

External Recognition



- Launched in 1999, the Dow Jones Sustainability Indexes are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide. RBS has been included in this index every year since launch.
- The FTSE4Good index series has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards. The Group has been a member of the index since its creation in 2001.

CARBON DISCLOSURE PROJECT

- RBS was included in the Carbon Disclosure Project's 'Climate Disclosure Leadership Index' and we were one of only four banks globally to receive a score of 95% or higher.



- Innovest ratings agency specialise in social and environmental risks. In 2007 RBS was upgraded to AAA and currently outranks almost all of its peers.
- Following on from this rating, RBS were listed as one of the '100 Most Sustainable Global Corporations' in a list released at Davos 2008.

Case Study- RBS Group Environment Programme

Overview of Group Environment Programme

- Executive-led Group Environment Programme and governance structure- climate risk, products and services, employees, Group footprint
- Largest arranger of finance to renewable energy sector globally over 2006-2007; new eco products under development
- Using 100% green electricity in UK & ROI, secured for 2008-2010
- £55m investment in property to reduce footprint by c.100k tonnes, piloting emerging technologies – solar roof tiles, ‘smart’ power management systems, high performance insulation, biomass boilers, rainwater recycling, wind turbines, ground source heat pumps etc
- Launch of YourWorld program for employees



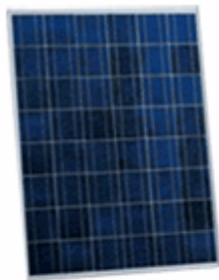
Ulster Bank

About Solar Energy | [Solar Products](#) | The Solar Mythbuster | Testimonials | Important Information

Solar Products

You are here: [Home](#) | [Solar Products](#)

We've discounted all of our solar packages to bring you the best deals in the market.



Blue Sunstation PV Panels

Typical package -
12 Sharp modules
Cost £10,000 + 5% VAT
Fully installed cost



Black Sunstation PV Panels

Typical package -
10 Sunpower modules
Cost £11,000 + 5% VAT
Fully installed cost



Roof integrated PV tiles

Typical package -
36 Solarcentury tiles
Cost £12,900 + 5% VAT
Fully installed cost



▸ Contact Information



▸ Is your home suitable?



▸ Energy Savings



All of the packages use photovoltaic (PV) technology, which means the solar panels or tiles generate electricity from daylight, which you can either use at

Your World Key Features



Carbon Calculator

CO₂ explained

Greenhouse gases (GHGs) in the atmosphere act like feathers in a duvet – they trap and hold heat in the atmosphere and influence the temperature at which the global atmosphere is in balance.

The more GHGs in the atmosphere, the higher the global temperature (the more feathers in a duvet, the warmer it is).

We all contribute to this rising figure through our daily household activities, driving and flying and it is important to know our own CO₂ impact and reduce it as much as possible.

Your individual carbon footprint

5.3
tCO₂/yr

Air Travel

5.3
tCO₂/yr

Car Usage

0
tCO₂/yr

Household

0
tCO₂/yr



[Offset your footprint now](#)

The UK average individual carbon footprint

7.55
tCO₂/yr



Air Travel

0.15
tCO₂/yr

Car Usage

2.98
tCO₂/yr

Household

4.42
tCO₂/yr



Above are your results.

To find out how you can reduce your footprint

[Calculate your individual footprint now](#)

[Hints and tips](#)

[Calculate now](#)

[Previous](#)

THANK YOU

END