

# Green, Social and Sustainability Financing Framework



## Building a purpose-led bank

5<sup>th</sup> December 2022

[NatWestGroup.com](https://www.natwestgroup.com)

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# 1 Introduction

We are a financial services company, providing a wide range of products and services to personal, business, commercial, corporate, and institutional customers.

Our purpose is to champion potential, helping people, families, and businesses to thrive.

Our future growth is built on this one, clear purpose. It's what drives us and defines us, guiding our decision-making as we balance the evolving needs and expectations of our stakeholders.

We are informed by the needs of our stakeholders. We aim to balance the different interests of our stakeholders in our decision-making, especially when there are difficult choices to be made. We also recognise the need for transparency and openness, regularly engaging and seeking the views of our stakeholders.

We are a relationship bank for a digital world. Our strategy for growth delivers on our purpose and drives sustainable returns to shareholders through four strategic priorities:

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

We aim to create a positive impact through our three primary areas of focus:

- Climate
- Enterprise
- Learning



Customers



Investors



Colleagues



Communities



Regulators



Suppliers



Supporting customers at every stage of their lives



Powered by innovation and partnerships



Simple to deal with



Sharpened capital allocation



Climate



Enterprise



Learning

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# 1 Introduction

## 1.1 Climate

Our aim through our climate area of focus is to address climate change by playing an active role in the transition to a net zero economy. As a signatory to the UN Principles for Responsible Banking, we are committed to an ongoing process to align our strategy with the 2015 Paris Agreement and the UN Sustainable Development Goals (SDGs).

### Our Ambition

- Net zero by 2050 across our financed emissions, assets under management and operational value chain
- At least halve the climate impact of our financing activity by 2030
- Support our UK mortgage customers to become more energy efficient with an ambition that 50% of our mortgage book is at or above EPC C by 2030
- £100 billion Climate and Sustainable Funding and Financing between 1 July 2021 and the end of 2025
- 50% reduction of our direct own operations carbon footprint by 2025
- Phase out of coal for UK and non-UK customers who have UK coal production, coal fired generation and coal related infrastructure by 1 October 2024, with a full global phase out by 1 January 2030

### Our progress so far

- Completed £18.1 billion of climate and sustainable funding and financing Q3 2022 year to date, bringing the cumulative contribution to £26.2 billion against our target of £100 billion between 1 July 2021 and the end of 2025
- 41%<sup>1</sup> of total residential mortgages portfolio is at or above EPC rating C
- Credible transition plan assessment completed for oil and gas majors and in scope coal customers
- 46% reduction in our direct<sup>2</sup> own operations carbon footprint
- Carbon tracking feature launched in our Retail Banking mobile app<sup>3</sup> – In collaboration with CoGo. Launched the NatWest Carbon Planner in August 2022, a free to use digital platform designed to help UK businesses reduce their carbon footprint
- Principal partner for the 26th UN Climate Change Conference of the Parties (COP 26)
- In Retail Banking, we have completed £2.1 billion of green mortgages<sup>4</sup>, which give a discounted interest rate to energy efficient properties, since they were launched in Q4 2020, including £668 million in Q3 2022

Note:

1 As at 30 September 2022. £134.8 billion, 68%, of the total residential mortgages portfolio had Energy Performance Certificate (EPC) data available (31 December 2021 – £116.2 billion, 62%)

2 Against a 2019 baseline. Direct own operations is defined as Scope 1, Scope 2 and Scope 3 (paper, water, waste, business travel, commuting and work from home) emissions. It excludes upstream and downstream emissions from our value chain

3 Retail Banking RBS, NatWest and Ulster Bank Northern Ireland mobile apps

4 Green mortgages are available to all intermediaries for all residential and Buy to Let properties with an energy performance rating of A or B and specific new build developer properties. Available for Purchase, Porting & Re-mortgage applications

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# 1 Introduction

## 1.2 Enterprise<sup>5</sup>

As the champion of businesses in the UK, we aim to remove barriers to enterprise and help the economy build back better. We supported c.55,000 individuals and businesses through c.200,000 interventions in support of starting and growing a business.

### Our Ambition

- 35,000 individuals or business supported through enterprise programmes in 2021
- 200,000 interventions delivered to start, run, or grow a business in 2021
- Much of this support will be focussed on the people and communities who have traditionally faced the highest barriers to entry. Of those inspired and supported:
  - 60% is intended to be female
  - 75% is intended to be based in regions outside London & South-East
  - 20% is intended to be Black, Asian and/or Minority Ethnic background
  - 10% is intended to be purpose-led

### Our progress so far

- ~55,000<sup>6</sup> individuals and business supported through enterprise programmes in 2021
- ~200,000<sup>6</sup> interventions delivered to start run or grow a business in 2021
- ~60% of individuals or business supported identified as female
- ~75% of individuals or businesses supported were based outside London and the South-East
- ~26% of individuals supported were of a Black, Asian and/or Minority Ethnic background
- ~52% of individuals or businesses supported were purpose-led businesses

Note:

<sup>5</sup> Data taken from the NatWest Group Plc 2021 Environmental Social and Governance Supplement

<sup>6</sup> Represents approximate number of interventions delivered by and individuals supported through enterprise programmes during 2021, which is based upon data provided by third parties delivering these interventions without further independent verification by NatWest Group.

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# 1 Introduction

## 1.3 Learning<sup>7</sup>

We aim to build financial capability by helping those who want to take control of their finances and their futures to make the most of their money.

### Our Ambition

- Deliver 15m financial capability interactions by 2023
- Help 2m additional customers to start saving by 2023

### Our progress so far

- 8.96m<sup>8</sup> financial capability interaction delivered by 31 December 2021 against the 2023 target
- 1.07m<sup>9</sup> additional customers helped to start saving by 31 December 2021 against the 2023 target
- 99.6% front-line colleagues professionally accredited within the first 18 months in role

Note:

<sup>7</sup> Data taken from the NatWest Group Plc 2021 Environmental Social and Governance Supplement

<sup>8</sup> Includes additional initiatives approved during 2021 which met the criteria for inclusion in the financial capability target

<sup>9</sup> Includes instances where customers had existing savings with other banks and transferred them into a NatWest Group account

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## 2 Purpose of this Framework

We have developed our Green, Social and Sustainability Financing Framework (the “Framework”) with the aim to attract dedicated funding for loans and investments that bring a positive environment or social impact. The Framework is intended to provide a clear and transparent set of definitions to enable investments that support the transition to a net zero economy or bring positive social benefits and create long-term value for our stakeholders.

The ICMA Green Bond Principles (“GBP”) <sup>10</sup>, Social Bond Principles (“SBP”) <sup>11</sup> and Sustainability Bond Guidelines (“SBG”) <sup>12</sup> (the GBP, SBP and SBG are together referred to as the “Principles”) are intended to outline best practices when issuing bonds serving environmental and/or social purposes through global guidelines and recommendations that promote transparency and disclosure, thereby underpinning the integrity of the market. The Principles also raise awareness of the importance of environmental and social impact among financial market participants, which ultimately aims to attract more capital to support sustainable development. In line with the Principles, the Framework has four key components:

1. Use of Proceeds
2. Evaluation and Selection Process
3. Management of Proceeds
4. Reporting

We have also sought an external review on the Framework from an established independent second-party opinion (“SPO”) provider, Sustainalytics. This is available on the Sustainalytics website and published on the [NatWest Group website](#).



### No offer of securities or investments

The information, statements and disclosure 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 Framework, the information, statements and disclosure included in this Framework are not formally part of any offering documents and are not contractually binding. The Framework is not intended to form part of any communication of any offering issued under this Framework 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 Framework.



Note:

10 [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf)

11 [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles_June-2022-280622.pdf)

12 <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

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## 3 Types of Issuances

Under this Framework, we can issue three types of financing instruments.

1. **Green Financing Instruments**, to finance and/or refinance (in part or in full) Eligible Green Assets (see 4.1 below)
2. **Social Financing Instruments**, to finance and/or refinance (in part or in full) Eligible Social Assets (see 4.2 below)
3. **Sustainability Financing Instruments**, to finance and/or refinance (in part or in full) a combination of Eligible Green Assets and Eligible Social Assets

### Forms of Financing Instruments

Green, Social or Sustainability financing instruments may take different forms of debt obligations across the capital structure, including senior unsecured bonds, subordinated bonds, covered bonds and short-term notes such as commercial paper. They may be issued from our holding company (NatWest Group Plc), or any of its subsidiaries, including for instance National Westminster Bank Plc, NatWest Markets Plc, Natwest Markets S.I. and NatWest Markets N.V.



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## 4 Use of Proceeds

The proceeds of each Green, Social or Sustainability financing instrument are intended to be used to finance and/or refinance in whole or in part, “Eligible Assets”.

Eligible Assets are loans<sup>13</sup>, investments, or other financial assets<sup>14</sup> that satisfy the Eligible Green Assets or Eligible Social Assets definitions as described below, originated by NatWest Group or any its subsidiaries.

Furthermore, all Eligible Green Assets and/or Eligible Social Assets must not finance any business activity described in Appendix 1 (Excluded Sectors), otherwise they shall be excluded from the Eligible Portfolio.

The categories of Eligible Social Assets described in sub-paragraphs 2, 3 and 4 of the definition of Eligible Social Assets include financings or refinancings that meet the relevant criteria whether or not they are identified as being for general purposes on the part of the relevant borrower or restricted to one or more dedicated social projects.

This is a non-legally binding statement of NatWest Group’s intention rather than a legally binding contractual obligation to so use the proceeds and NatWest Group makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability that the proceeds are used to finance or refinance Eligible Assets.

“Eligible Portfolio” is defined as Eligible Green Assets and/or Eligible Social Assets originated by NatWest Group or any its subsidiaries. All relevant Eligible Green Assets and/or Eligible Social Assets are subject to NatWest Group’s environmental, social and ethical (ESE) risk policies. Furthermore, all Eligible Green Assets and/or Eligible Social Assets must not finance any business activity described in Appendix 1 (Excluded Sectors), otherwise they shall be excluded from the Eligible Portfolio.

Note:

<sup>13</sup> Includes mortgages, term loans, trade loans and revolving credit facilities

<sup>14</sup> Includes hire purchase agreements, finance and operating leases, rental contract hire agreements

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# 4 Use of Proceeds

## 4.1 Eligible Green Assets

“Eligible Green Asset(s)” refers to Eligible Assets supporting the financing of projects that we believe comply with the “Green Asset Definitions” outlined below.

In the table below, we have sought to illustrate how our Green Asset Definitions map and are influenced by the corresponding:

- ICMA Green Bond Principles
- EU Taxonomy
- EU Environmental Objectives & UK Taxonomy Objectives
- United Nations Sustainable Development Goals (UN SDG)<sup>15</sup>




This Green Asset Definitions are intended to encourage investment in Eligible Green Assets that we believe have positive environmental impact, support the transition to a net zero economy and aim to contribute to the UN SDGs, the targets of the Paris Climate Agreement and the UK Net Zero Strategy.

Note:

<sup>15</sup> The 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 the proposed aim of each “Green Asset Definition” and NatWest Group makes no representation, warranty, or assurance of any kind, express or implied, or takes no responsibility or liability as to whether the funding or financing made or reported under a specified Green Asset Definition furthers the objective or achieves the purpose of the indicated SDG.

# 4 Use of Proceeds

## 4.1 Eligible Green Assets

Green Asset Definitions	
<p><b>1. Renewable Energy</b></p> <p>Eligible Assets for the generation, equipment, development, manufacturing, construction, operation, storage, and maintenance of renewable energy generation sources.</p> <ul style="list-style-type: none"><li>• Wind projects, including onshore and offshore wind energy projects</li><li>• Concentrated solar power or solar photovoltaic energy projects</li><li>• Hydropower/hydroelectric projects<sup>16</sup>,</li><li>• Ocean energy technologies (wave and tidal) for electricity generation</li><li>• Geothermal energy<sup>17</sup></li><li>• Green Hydrogen</li></ul> <p>Eligible Assets to support electricity transmission and distribution projects which facilitate the development of renewable energy projects by connecting them to the National Grid in the UK or the interconnected European grid system.</p> <p>Eligible Assets to support customers involved in the manufacture, sale and lease of battery and hydrogen storage systems connected to renewable energy projects, intended for deployment in energy, transport, and other relevant sectors.</p>	<p><b>ICMA Green Bond Principles</b></p> <p>Renewable Energy</p> <p><b>EU Taxonomy Objectives &amp; UK Taxonomy Objectives<sup>18</sup></b></p> <p>Climate change mitigation</p> <p><b>EU Taxonomy Activities<sup>19</sup></b></p> <p>4.1 Electricity generation using solar photovoltaic technology</p> <p>4.2 Electricity generation using concentrated solar power (CSP) technology</p> <p>4.3. Electricity generation from wind power</p> <p>4.4. Electricity generation from ocean energy technologies</p> <p>4.5 Electricity generation from hydropower</p> <p>4.6. Electricity generation from geothermal energy</p> <p>4.7 Transmission and distribution of electricity</p> <p>4.8 Storage of electricity</p> <p>4.9 Storage of Hydrogen</p> <p>4.10 Transmission and distribution networks for renewable and low-carbon gases</p> <p>7.6 Installation, maintenance, and repair of renewable energy technologies</p> <p><b>United Nations Sustainable Development Goals</b></p> <div><div><p>7 AFFORDABLE AND CLEAN ENERGY</p></div><div><p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p></div><div><p>13 CLIMATE ACTION</p></div></div>

Note:

16 Hydropower/hydroelectric projects complies with either of the following criteria: the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; the power density of the electricity generation facility is above 5 W/m<sup>2</sup> (if in operation before 2020) or above 10 W/m<sup>2</sup> (if in operation on or after 2020); the life cycle GHG emissions from the generation of electricity from hydropower are lower than 100g CO<sub>2</sub>e/kWh (if in operation before 2020) or lower than 50g CO<sub>2</sub>e/kWh (if in operation on or after 2020)




17 The life cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100g CO<sub>2</sub>e/kWh

18 All EU Environmental Objectives and UK Taxonomy Objectives references throughout the Green Asset Definitions are indicative guidance only as to the categories included in the EU Environmental Objectives and UK Taxonomy Objectives

19 All EU Taxonomy references throughout the Green Asset Definitions are indicative guidance only as to the categories included in the EU Taxonomy



# 4 Use of Proceeds

## 4.1 Eligible Green Assets

Green Asset Definitions	
<div><div>2. Energy Efficiency</div><div>Eligible Assets to support customers involved in the development, manufacture, repair, maintenance or installation of energy efficiency technologies, products, and systems including:</div><div><ul style="list-style-type: none"><li>• Smart meters for electricity</li><li>• Energy efficient lighting</li><li>• Highly efficient heating, ventilation, and air-conditioning (HVAC) systems</li><li>• Distributed generation</li><li>• Peak demand management</li><li>• Devices measuring, regulating, or controlling energy performance of buildings</li><li>• Upgrade of existing broadband networks (e.g., copper) to fibre optic</li></ul></div><div>Professional services related to energy performance of buildings.</div></div>	<div><div>ICMA Green Bond Principles</div><div>Energy Efficiency</div><div>EU Taxonomy Objectives &amp; UK Taxonomy Objectives</div><div>Climate change mitigation</div><div>EU Taxonomy Activities</div><div>3.5 Manufacture of energy efficiency equipment for buildings</div><div>7.3. Installation, maintenance, and repair of energy efficiency equipment</div><div>7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</div><div>9.3. Professional services related to energy performance of buildings</div><div>United Nations Sustainable Development Goals</div><div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div></div></div>

# 4 Use of Proceeds

## 4.1 Eligible Green Assets

Green Asset Definitions	
<p><b>3. Sustainable Water and Wastewater Management<sup>20</sup></b></p> <p>Eligible Assets to support the construction, extension, renewal, upgrade or operation of sustainable water and wastewater facilities, including:</p> <ul style="list-style-type: none"><li>• Sustainable infrastructure for clean/drinking water</li><li>• Wastewater treatment</li></ul> <p>Eligible Assets to support activities that improve water quality and increase water use efficiency, including:</p> <ul style="list-style-type: none"><li>• Precision irrigation technologies (e.g., drip water)</li><li>• Water recycling systems</li><li>• Rainwater collection systems</li><li>• Constructing water reservoirs</li><li>• Anaerobic digestion of sewage, sludge, and bio-waste</li><li>• Water treatment facilities</li><li>• Water metering</li></ul>	<p><b>ICMA Green Bond Principles</b></p> <p>Sustainable Water and Wastewater Management</p> <p><b>EU Taxonomy Objectives &amp; UK Taxonomy Objectives</b></p> <p>The sustainable use and protection of water and marine resources</p> <p><b>EU Taxonomy Activities</b></p> <p>5.1. Construction, extension and operation of water collection, treatment, and supply systems</p> <p>5.2. Renewal of water collection, treatment, and supply systems</p> <p>5.3. Construction, extension and operation of wastewater collection and treatment</p> <p>5.4. Renewal of wastewater collection and treatment</p> <p>5.6 Anaerobic digestion of sewage sludge</p> <p>5.7 Anaerobic digestion of bio-waste</p> <p><b>United Nations Sustainable Development Goals</b></p> <div><div><p>6 CLEAN WATER AND SANITATION</p></div><div><p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p></div></div>

Note:

20 Excludes financing of new recreational projects and projects in water-stressed locations



# 4 Use of Proceeds

## 4.1 Eligible Green Assets

Green Asset Definitions	
<div><b>4. Pollution Prevention and Control</b> Eligible Assets for the development, construction, operation, and maintenance of sustainable waste management projects, including:<ul style="list-style-type: none"><li>Waste collection and processing, for the recycling of non-hazardous waste</li></ul></div>	<div><b>ICMA Green Bond Principles</b> Pollution Prevention and Control</div> <div><b>EU Taxonomy Objectives &amp; UK Taxonomy Objectives</b> Pollution prevention and control and Climate change mitigation</div> <div><b>EU Taxonomy Activities</b> 5.5. Collection and transport of non-hazardous waste in source segregated fractions</div> <div><b>United Nations Sustainable Development Goals</b><div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div><div><div>13</div><div>CLIMATE ACTION</div></div></div></div>

# 4 Use of Proceeds

## 4.1 Eligible Green Assets

Green Asset Definitions	
<div><b>5. Clean Transportation</b> Eligible Assets supporting the transition to the low carbon transportation of people and materials including for the development, sale, operation, and upgrade of infrastructure projects to support this transition Examples include:<ul style="list-style-type: none"><li>• Electric, hybrid and alternatively fuelled (hydrogen fuel cell) cars, buses, trucks, trains, and passenger ferries that fall below 50g CO2/p-km (0gCO2/p- from 2025) for passengers and 25gCO2/t-km for freight transportation</li><li>• Manufacture, installation, maintenance, and repair of charging stations for electric vehicles and hydrogen fuelling stations (both private transport and public transport)</li><li>• Infrastructure for personal mobility and cycle logistics (e.g. footpaths and bike paths) or public transport (e.g. metro and railway stations and tracks)</li><li>• Electric material handling equipment, access equipment or construction equipment (e.g., fork lift trucks, scissor lifts and excavation machinery)</li></ul></div>	<div><b>ICMA Green Bond Principles</b> Clean Transportation  <b>EU Taxonomy Objectives &amp; UK Taxonomy Objectives</b> Climate change mitigation  <b>EU Taxonomy Activities</b><ul style="list-style-type: none"><li>6.1. Passenger interurban rail transport</li><li>6.2. Freight rail transport</li><li>6.3. Urban and suburban transport, road passenger transport</li><li>6.4. Operation of personal mobility devices, cycle logistics</li><li>6.5. Transport by motorbikes, passenger cars and light commercial vehicles</li><li>6.6. Freight transport services by road</li><li>6.7 Inland passenger water transport</li><li>6.11 Sea and coastal passenger water transport</li><li>6.13. Infrastructure for personal mobility, cycle logistics</li><li>6.14. Infrastructure for rail transport</li><li>6.15. Infrastructure enabling low-carbon road transport and public transport</li><li>7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</li></ul> <b>United Nations Sustainable Development Goals</b><div><div><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</div></div></div>

# 4 Use of Proceeds

## 4.1 Eligible Green Assets

Green Asset Definitions	
<div><b>6. Green Buildings</b> Eligible Assets for the construction, acquisition or retrofitting of green buildings which meet the regional, national, or internationally recognised standards or certifications outlined below:<ul style="list-style-type: none"><li>• UK Domestic property which scores A or B according to the Energy Performance Certificate ("EPC") rating or Standard Energy Procedure ("SAP") score of 86+</li><li>• UK Commercial or Public property rated at least "Excellent" according to BREEAM, or that which is rated at least BRE Home Quality Mark 4*, or "Gold" according to LEED</li><li>• Retrofit or renovation of existing buildings which result in energy savings of at least 30% in comparison to the baseline performance of the building before the renovation, measured in kWh/m2 per year<sup>21</sup></li></ul></div>	<div><b>ICMA Green Bond Principles</b> Green Buildings</div> <div><b>EU Taxonomy Objectives &amp; UK Taxonomy Objectives</b> Climate change mitigation</div> <div><b>EU Taxonomy Activities</b> 7.1. Construction of new buildings 7.2. Renovation of existing buildings 7.3. Installation, maintenance, and repair of energy efficiency equipment 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.7. Acquisition and ownership of buildings</div> <div><b>United Nations Sustainable Development Goals</b><div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>13 CLIMATE ACTION</div></div></div>




Note:

21 Retrofit and renovation examples include insulation of walls and roofs, LED lighting, replacement of boilers and other heating or cooling systems with ground-source or air-source heat pumps, installation of energy management systems, refurbishment of heating, ventilation and air conditioning systems, renovating, maintenance and repair of energy efficiency equipment, devices for measuring, regulation and controlling energy performance of buildings and on-site renewable energy technologies



# 4 Use of Proceeds

## 4.1 Eligible Green Assets

Green Asset Definitions	
<p><b>7. Living Natural Resources and Land Use Projects</b></p> <p>Eligible Assets supporting certified sustainable forestry:</p> <ul style="list-style-type: none"><li>• The Forest Stewardship Council (FSC) standard</li><li>• The Programme for the Endorsement of Forest Certification (PEFC), or</li><li>• The Sustainable Forestry Initiative (SFI)</li></ul> <p>Eligible Assets supporting sustainable agriculture, including:</p> <ul style="list-style-type: none"><li>• Farms certified in compliance with the UK<sup>22</sup> or EU<sup>23</sup> organic farming regulation</li><li>• Use of renewable energy in the agriculture sector, such as solar panels selected in compliance with the Renewable Energy criteria in 4.1.1</li></ul> <p>Eligible Assets supporting certified sustainable fisheries:</p> <ul style="list-style-type: none"><li>• Aquaculture Stewardship Council</li><li>• Global G.A.P. Aquaculture Standard</li></ul> <p>Eligible Assets supporting the preservation and restoration of natural landscapes, including:</p> <ul style="list-style-type: none"><li>• Protected area operators (such as natural parks’ operators)</li><li>• Preservation or restoration of natural landscapes (e.g. afforestation/reforestation) and coastal, marine and water environments, including the conservation of terrestrial and aquatic biodiversity</li></ul>	<p><b>ICMA Green Bond Principles</b></p> <p>Environmentally sustainable management of living natural resources and land use</p> <p><b>EU Taxonomy Objectives &amp; UK Taxonomy Objectives</b></p> <p>The protection and restoration of biodiversity and ecosystem</p> <p><b>EU Taxonomy Activities</b></p> <p>1.1. Afforestation</p> <p>1.2. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event</p> <p>1.3. Forest management</p> <p>1.4. Conservation forestry</p> <p>2.1. Restoration of wetlands</p> <p><b>United Nations Sustainable Development Goals</b></p> <div></div>

Note:

22 In the UK, compliance with organic farming legislation is certified by “approved control bodies” appointed by the UK Government such as Organic Farmers & Growers, Organic Food Federation, Soil Association Certification, Biodynamic Association Certification, Quality Welsh Food Certification and OF&G Scotland. More information can be found at: <https://www.gov.uk/guidance/organic-food-uk-approved-control-bodies>

23 Excludes loans advanced exclusively for livestock farming

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# 4 Use of Proceeds

## 4.2 Eligible Social Assets

“Eligible Social Asset(s)” refer to Eligible Assets supporting the financing of projects or companies that we believe comply with the “Social Asset Definitions” outlined below.

In the table below, we have sought to illustrate how our Social Asset Definitions map and are influenced by the corresponding:

- ICMA Social Bond Principles
- United Nations Sustainable Development Goals (UN SDG)<sup>24</sup>




This Social Asset Definitions are intended to encourage funding of Eligible Social Assets that we believe have positive social impacts that contribute to one or more of the UN SDGs (specified below). These include: Access to essential services (health/healthcare, education, and vocational training), affordable housing, employment generation and socioeconomic advancement and empowerment.

Note:

24 The 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 the proposed aim of each “Social Asset Definition” and NatWest Group makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to whether the funding or financing made or reported under a specified Social Asset Definition furthers the objective or achieves the purpose of the indicated SDG.

# 4 Use of Proceeds

## 4.2 Eligible Social Assets

Social Asset Definitions	
<p><b>1.1 Access to Essential Services: Healthcare</b></p> <p>Eligible Assets that enhance access to healthcare services in the UK and Europe which are affiliated with the NHS, part of the NHS trust or are more broadly accessible to the whole public through government spending, subsidies, or social security. This includes the development, expansion or acquisition of buildings, facilities and equipment relating to hospitals, laboratories, clinics, healthcare, and hospices</p> <p>Eligible Assets which support the funding of children’s paediatric care or affordable maternal and reproductive healthcare products and services for women, in each case which are affiliated with the NHS, part of the NHS trust or are more broadly accessible to the whole public through government spending, subsidies or social security.</p> <p>Eligible Assets which support the funding of health-related R&amp;D programmes supporting the NHS (such as new medicines, treatments, vaccinations, or health equipment).</p>	<p><b>ICMA Social Bond Principles</b></p> <p>Access to essential services</p> <p><b>Social benefit and target population:</b> Supporting access to quality, timely and accessible healthcare for the general population supported by the national healthcare system, including the elderly (those aged 66 or over), children, women, and individuals with physical or mental conditions</p> <p><b>United Nations Sustainable Development Goals</b></p> <div></div>
<p><b>1.2 Access to Essential Services: Education and Vocational Training</b></p> <p>Eligible Assets that enhance access to essential services which are broadly available to the whole public through government spending or subsidies. This includes:</p> <ul style="list-style-type: none"><li>• The development, expansion or acquisition of buildings, facilities, and equipment (e.g., books and teaching materials) relating to the provision of child, youth or adult education and vocational training services</li><li>• Projects and schemes to train teachers and educators</li></ul>	<p><b>ICMA Social Bond Principles</b></p> <p>Access to essential services</p> <p><b>Social benefit and target population:</b> Increase access to quality and accessible education and vocational training, particularly low-income students, and educators</p> <p><b>United Nations Sustainable Development Goals</b></p> <div></div>

# 4 Use of Proceeds

## 4.2 Eligible Social Assets

Social Asset Definitions	
<p><b>2. Affordable Housing</b></p> <p>Eligible Assets to UK accredited or registered Housing Associations, which are not-for-profit organisations supporting the provision of affordable housing in the UK and contribute to enhanced access for low-income residents or marginalised communities. The Housing Associations offer social rented, affordable rented and intermediate housing to specified eligible households whose needs are not met by the private market. To be classified as an Eligible Social Asset, the Housing Associations must be involved in the construction, management, or refurbishment of properties for at least one of the following:</p> <ul style="list-style-type: none"><li>• Social Rent<sup>25</sup></li><li>• Affordable Rent<sup>26</sup></li><li>• Shared Ownership<sup>27</sup></li><li>• Supported Housing<sup>28</sup></li></ul> <p>In addition to lending directly to UK accredited and registered Housing Associations, Eligible Social Assets also includes mortgages to individuals/families purchasing their home under government backed schemes:</p> <ul style="list-style-type: none"><li>• Shared Ownership, with an annual household income less than the national median<sup>29</sup></li><li>• Right to Buy<sup>30</sup> schemes</li></ul>	<p><b>Social benefit and target population:</b> Supports universal access to decent housing which ultimately benefits individuals or families needing sheltered housing, individuals or families on low income and/or on income allowances or benefits, and homeless individuals</p> <p><b>United Nations Sustainable Development Goals</b></p> <div><div><p>10 REDUCED INEQUALITIES</p></div><div><p>11 SUSTAINABLE CITIES AND COMMUNITIES</p></div></div>

Note:

25 Social Rent – Involves homes are provided by local authorities and housing associations. Rent levels are around 50-60% of market rents for the local area and rent increases are limited by Government. This usually results in a more secure, long-term tenancy than private renting

26 A scheme open to a broader range of household incomes than social rent and involves homes provided by local authorities and Housing Associations with controls that ensure rents charged are no high than 80% of local market rent. This scheme is also sometimes known as Intermediate Rent.

27 A scheme which allows applicants to purchase a share of a property (between 25% and 75%) from a Housing Association, paying an affordable rent on the part still owned by the Housing Association. An individual's eligibility to access shared ownership housing is subject to certain criteria and conditions including household income cap

28 A scheme where housing, support and sometimes care services are provided to help people to live as independently as possible in the community. Examples include care, nursing, and sheltered housing

29 The median (5th decile) annual house income in the UK was £44,663 for 2020/2021. Source: [Office of National Statistics](#) (Table 14: Average household incomes, taxes and benefits of ALL individuals by decile group, 2020/21)

30 A scheme designed to allow long standing tenants of Housing Association-owned property to purchase the property at a discount to the market

# 4 Use of Proceeds

## 4.2 Eligible Social Assets

Social Asset Definitions	
<p><b>3. Socioeconomic Advancement and Empowerment: Women Empowerment</b></p> <p>Eligible Assets in support of:</p> <ul style="list-style-type: none"><li>• Women sole traders</li><li>• Unincorporated partnerships where the majority of partners are women</li><li>• Limited liability partnerships or incorporated small and medium size enterprises (“SMEs<sup>31</sup>”) where at least 51% of the ownership or economic distributions are to women</li></ul> <p>Eligible Assets to support charities and not-for-profits which help to fund projects, schemes and initiatives that provide women with access to technology, information (advice or mentorship), financial services or family care support to support them starting a business.</p>	<p><b>Social benefit and target population:</b> Supporting female entrepreneurs to further their businesses with access to funding, mentorship and support, ultimately improving the gender balance observed in start-up businesses</p> <p><b>United Nations Sustainable Development Goals</b></p> <div></div>
<p><b>4. Employment Generation: Sole Traders, Partnerships and SMEs</b></p> <p>Eligible Assets to support sole traders, partnerships, and SMEs with geo-scoring<sup>32</sup> of areas with high unemployment and/or low income, with potential targeting of specific sectoral activity codes<sup>33</sup></p>	<p><b>Social benefit and target population:</b> Supporting people residing in socioeconomically disadvantaged areas to gain or sustain employment and ultimately improving skills and economic activity within these areas</p> <p><b>United Nations Sustainable Development Goals</b></p> <div></div>

Note:

31 SME as defined in the UK Companies Act 2006

32 SMEs and individuals must be located in an economically Underperforming region of the UK. Economically underperforming regions are defined as areas ranking in the bottom 30 Percentile in terms of Local Administrative Unit (LAUs) ranked based on two indicators such as Gross Value Added per head (“GVA”) and Unemployment Claimant Percentage (“UCP”)

33 If specific sectoral activity codes are targeted, details will be provided in the associated impact report

# 5 Evaluation and Selection Process

## 5.1 Green, Social and Sustainability Financing Working Group

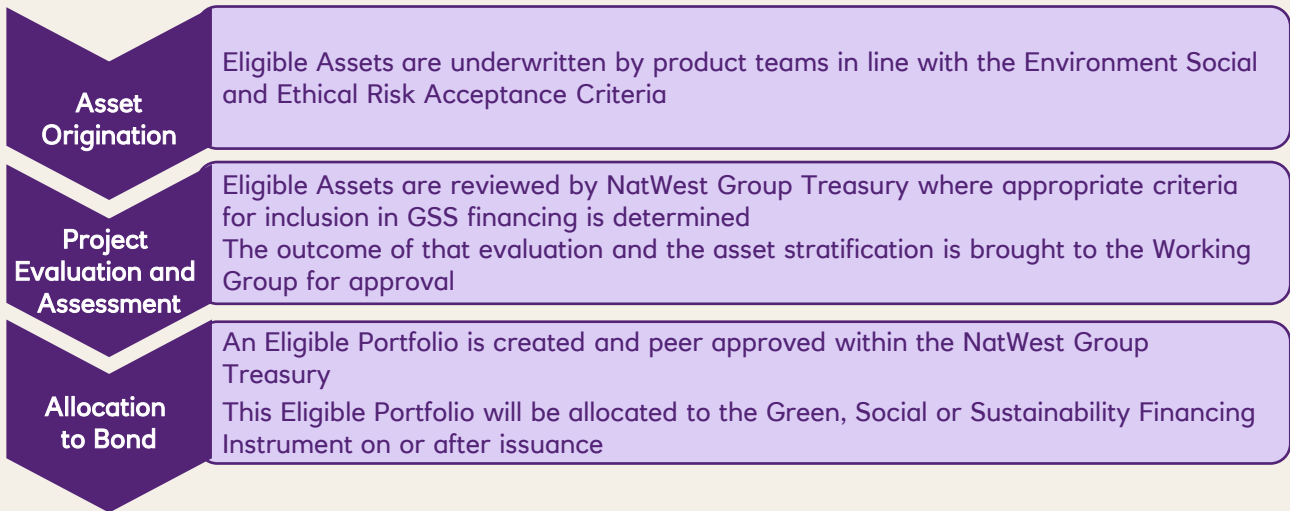
The Green, Social and Sustainability Financing Working Group (the “Working Group”) meets monthly when possible, and is responsible for:

- Approval of the proposed Eligible Assets for inclusion in the Eligible Portfolio as set out in Use of Proceeds, including compliance with the Appendix 1 (Excluded Sectors)
- Managing the Eligible Portfolio over the lifetime of the outstanding Green, Social and Sustainability financing instruments to ensure that proceeds are used solely for the financing and refinancing of the Eligible Assets
- Monitoring developments in the wider Green, Social and Sustainability financing market and updating this Framework and Green and Social Asset Definitions accordingly
- The evaluation and selection process to facilitate external verification (if required) of whether selected assets meet the Green and Social Asset Definitions. This is included with the GSS Financing Business Operating Model and within the Eligibility Definitions and Assumptions Register<sup>34</sup>

Core members of the Working Group are delegated from the following teams across NatWest Group: Treasury Debt Capital Markets, Treasury Risk, Social Finance and Climate and Purpose - Finance. Additional attendees (for example from Investor Relations, Treasury Legal, Reputational Risk, Chief Economist, and other subject-matter experts) may also join Working Group meetings from time to time as required.

We aim to ensure that the Eligible Assets comply with official national and social standards, local laws, and regulations (including financial crime, modern slavery, etc) as applicable. When assets are to be earmarked for GSS financing they will attain a sample check from the ESE Assurance team to ensure that they meet our standards. For further details see [NatWest Group’s ESG Policies and Downloads Repository](#).

In line with the draft of the EU Standard for European Green Bonds (July 2021) and given that potential Eligible Assets differ in terms of expected lifetime. This Framework does not, as recommended by ICMA, apply a specific look-back period for Eligible Assets. The Working Group will assess, on a case-by-case basis, each potential Eligible Green Asset and Eligible Social Asset and confirm which Eligible Assets are appropriate (based on the nature of the asset, its expected remaining lifetime, and the tenor of the loan) before including them in the Eligible Portfolio.



More information on the evaluation and selection process is outlined in the allocation and impact report for each issued financing instrument, which is available on the NatWest Group [website](#).

Note:

<sup>34</sup> The Eligibility Definitions and Assumptions Register is an internal document outlining all the Eligibility Criteria and Assumptions used in the GSS Financing Programme and the GSS Financing Business Operating model defines the business operating process to manage project evaluation and selection processes

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## 5 Evaluation and Selection Process

### 5.2 Future Amendments and Exclusions

#### Future Amendments

The Framework is subject to regular review by the Working Group (as described in this section) and we may, from time to time, make amendments to the Framework to align it to the Principles, market best practices, new taxonomies and regulatory developments, loan-book growth or new business ambitions.

#### Exclusions

We will not knowingly allocate the proceeds from the Green, Social and Sustainability financing instruments issued under this Framework to assets provided to businesses or enterprises in several industries that are considered to have potential negative social or environmental impact. Reputational Risk is considered as part of the process prior to issuance as part NatWest Group's Environmental, Social & Ethical Risk Management process. As such, assets that meet any of the following criteria are ineligible for the proceeds from Green, Social and Sustainability financing instrument issued under this Framework:

1. Businesses or projects which fall under the SIC codes listed in Appendix 1, which cover a range of businesses such as, but not limited to, alcohol, environmental damage, fossil fuels, gambling, tobacco, and weapons
2. Businesses or projects which are found to have engaged in illegal business practices, which are checked by credit risk against the Environmental Social and Ethical Risk Management process
3. Businesses or projects which are known to have been involved with a ESG controversy, which warranted an escalation to the Reputational Risk Committee

In addition, non-performing loans and encumbered assets are also ineligible for allocation of the proceeds of Green, Social and Sustainability financing instrument raised under this Framework.



# 5 Evaluation and Selection Process

## 5.3 Equator Principles and Environmental Social and Ethical Risk Management

### Equator Principles

The Equator Principles (“EP”) are a voluntary set of standards adopted by financial institutions for determining, assessing, and managing environmental and social risks in project-related lending and underwriting transactions. NatWest Group has been a member since 2003.

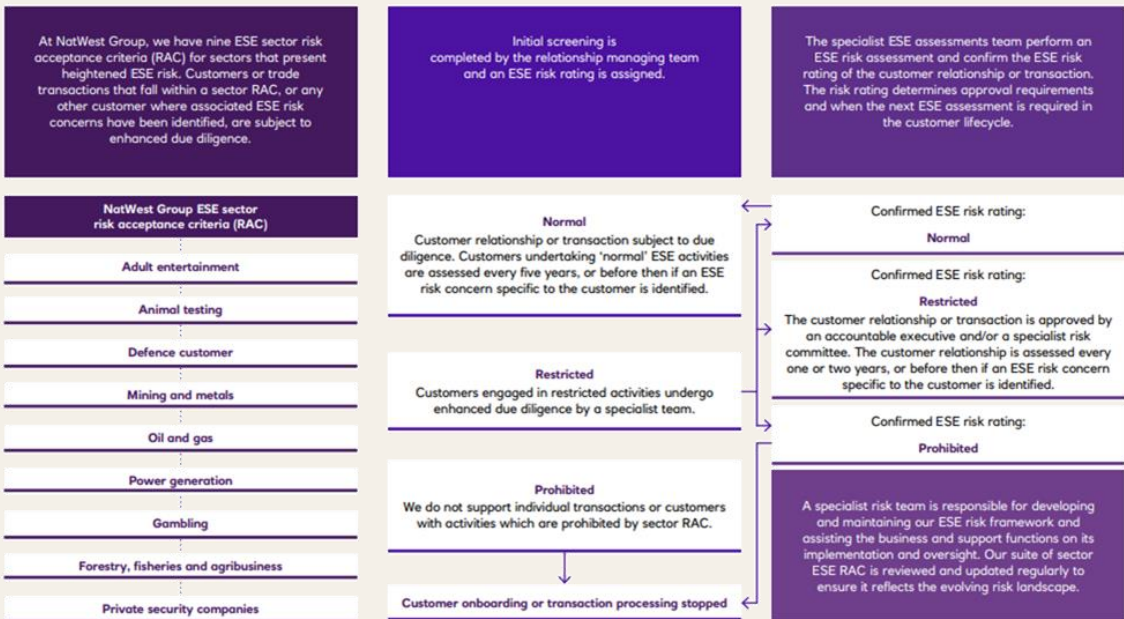
All assets that fall within the scope of EP (project finance advisory services, project finance, project related corporate loans, bridge loans, project related refinance and project related acquisition finance) undergo an initial environmental and social risk screening (using a questionnaire). Typically for project finance deals, a suitably qualified technical advisor is engaged, who provides an opinion on potential environmental and social impacts of the project and compliance with the EP.

Additionally, such transactions are subject to enhanced due diligence by the relevant project team. This includes a review of the project-related transaction for compliance with the EP. The EP use a scale of categorisation – A to C – To determine the scale of environmental and social impacts, with Category A being projects with the highest impacts and Category C, the lowest. Depending on the risk category, the prospective financing may be subject to a further and separate review by a Reputational Risk Committee.

### Environmental Social and Ethical Risk Management

We recognise that the activities of our customers can have adverse and potentially severe environmental, social, and ethical (ESE) impacts – Including polluting activities and potential human rights violations. To help us assess and manage these risks, we have an ESE risk framework comprising policies and processes designed to give us better insight into our customers’ activities and address issues of concern. The 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. Risk officers and customer-facing colleagues receive regular training on ESE risks and procedures. Our policies reflect applicable national and international laws and confirm that we expect our customers to adhere to local and international environmental, social, and human rights standards. The ESE policies also incorporate several voluntary standards such as the Equator Principles (EP) and the UN Global Compact. Further details on our [ESE policies](#) are available on the NatWest Group website.

ESE risk framework





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## 6 Management of Proceeds

Lending forecasts and business plans will be reviewed by the Working Group ahead of issuance to ensure an appropriate Eligible Portfolio is in place for the duration of the Green, Social and Sustainability financing instruments issued under this Framework. At issuance, we intend to disclose if we expect the full allocation to take place immediately or over time.

After issuance of a financing instrument, the net proceeds will be managed by NatWest Group Treasury. If the financing instrument is outstanding, we intend to exclusively allocate an amount equivalent to or more than the net proceeds to the Eligible Portfolio in line with the above-mentioned Green and Social Asset Eligibility Definitions (section 4) and the Evaluation and Selection Process (section 5).

In line with internal monitoring of the Eligible Portfolio, the Working Group will review and approve allocations of proceeds from the issue of Green, Social and Sustainability financing instruments under this Framework to Eligible Assets on a quarterly basis or as required.

If we become aware of any ESG controversies or any loan no longer meeting the Green and Social Asset Eligibility Definitions (as described in Section 4), we will remove the loan from the Eligible Portfolio and replace it as soon as reasonably practicable.

Where assets unexpectedly mature such that the outstanding proceeds exceed the amount allocated to Eligible Assets, or where full allocation is not immediately possible, we will hold and/or invest any surplus proceeds at our discretion in cash or short-term liquid investments (green, social and sustainability debt instruments where possible) until additional Eligible Assets are available.

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## 7 Reporting

The ICMA Green Bond Principles and Social Bond Principles require issuers to make, and keep, readily available up to date information on the use of proceeds to be reviewed annually until full allocation, and on a timely basis in case of material developments. In addition to information relating to the assets to which Green, Social or Sustainability financing instruments issued under this Framework have been allocated, the GBP and SBP recommend disclosure of the expected impact of the projects.

NatWest Group aims to prepare an allocation and impact report which will be prepared by the Climate & Purpose Finance Team, the Working Group and other subject-matter experts and which reports will be made available on the NatWest Group [website](#). We intend to make available at least annually a single allocation and impact report including all outstanding Green and Social financing allowing investors to find the required information in one single document.

On a best-effort basis, we aim to align our reporting with the approach described in “(Green Bond Principles) Harmonized Framework for Impact Reporting (June 2022)”<sup>35</sup> and “(Social Bond Principles) Harmonized Framework for Impact Reporting for Social Bonds (June 2022)”<sup>36</sup>.

### 7.1 Allocating Reporting

Our allocation report aims to provide indicators, including:

- The total amount of proceeds allocated to each Eligible Green Asset and Eligible Social Asset category
- The number of Eligible Assets included in the Eligible Portfolio
- The balance of unallocated proceeds
- The amount and percentage of new loans added to the Eligible Portfolio post initial allocation

Note:

35 [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds\\_June-2022v2-020822.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022v2-020822.pdf)

36 [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf)

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# 7 Reporting

## 7.2 Impact Reporting

We aim to report metrics relevant to the Eligible Assets to which proceeds have been allocated. This may include:

### Green Impact Metrics

- Renewable Energy
  - Renewable energy generation (MWh)
  - Estimated carbon emissions avoided through renewable energy (tCO<sub>2</sub> equivalent)
- Energy Efficiency
  - Expected energy savings (MWh)
  - Estimated avoided GHG Emissions (tCO<sub>2</sub> equivalent)
- Sustainable Water and Wastewater Management
  - Annual volume of wastewater treated
  - Number of people supplied with drinking water
- Pollution Prevention and Control
  - Quantity of recycled materials (tonnes)
  - Annual production of renewable energy (MWh)
  - Annual emissions avoided (tCO<sub>2</sub> equivalent)
- Clean Transportation
  - Number of EV charging, or hydrogen filling stations installed, indicating total capacity
  - Number of electric, hybrid or hydrogen fuel cell vehicles financed
- Green Buildings
  - Estimated Carbon Emission Avoided (tCO<sub>2</sub> equivalent)
- Living Natural Resources and Land Use Projects
  - Area of natural landscape preserved (km<sup>2</sup>)
  - Ecologically sustainable agricultural production per hectare (tons)

### Social Impact Metrics

- Access to essential services (healthcare and education)
  - Number of public education schools (including kindergarten, primary and/or secondary schools and universities) supported; and/or number of individuals benefiting from these educational services
- Affordable Housing
  - Estimated number of housing units developed/acquired
- Socioeconomic Advancement and Empowerment: Women Empowerment
  - Number of women employed
- Employment Generation: SMEs and Sole Traders
  - Estimated number of jobs created or enabled by LAU/region
  - Estimated number of jobs created or enabled by activity sector

In addition to the above metrics, qualitative case studies may also be included where feasible.

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## 8 External review

### 8.1 Second Party Opinion

We have obtained an independent second party opinion from Sustainalytics to confirm the alignment of the Framework with the Principles. The independent second party opinion is available on the NatWest Group [website](#).

The Second Party Opinion has been completed in line with the professional guidelines, the FCA's relevant recommendations and conformity to ICMA's recommendations.

### 8.2 Verification

We may request an independent third party to produce, on an annual basis, starting one year after the issuance and until maturity of the Green, Social and Sustainability financing instruments issued under this Framework, a limited assurance report of the allocation of the proceeds.

Depending on the type of instrument issued under the Framework, we may seek a Climate Bond Initiative Certification.

## Appendix 1: Excluded Sectors

Category	Sector	SIC Code
Alcohol	Manufacture of distilled potable alcoholic beverages	15.91/0/0
	Wholesale of alcoholic and other beverages	51.34/0/0
Environmental Damage	Mining of uranium and thorium ores	12.00/0/0
	Mining of iron ores	13.10/0/0
	Mining of non-ferrous metal ores, except uranium and thorium ores	13.20/0/0
	Quarrying of stone for construction	14.11/0/0
	Quarrying of limestone, gypsum and chalk	14.12/0/0
	Quarrying of slate	14.13/0/0
	Operation of gravel and sand pits	14.21/0/0
	Mining of clays and kaolin	14.22/0/0
	Mining of chemical and fertilizer minerals	14.30/0/0
	Other mining and quarrying not elsewhere classified	14.50/0/0
	Processing of nuclear fuel	23.30/0/0
	Wholesale of metals and metal ores	51.52/0/0
	Deep coal mines	10.10/1/0
	Opencast coal working	10.10/2/0
Fossil Fuels	Manufacture of solid fuel	10.10/3/0
	Mining and agglomeration of lignite	10.20/0/0
	Extraction and agglomeration of peat	10.30/0/0
	Extraction of crude petroleum and natural gas	11.10/0/0
	Service activities incidental to oil and gas extraction excluding surveying	11.20/0/0
	Other treatment of petroleum products (excluding petrochemicals manufacture)	23.20/2/0
	Manufacture of industrial gases	24.11/0/0
	Manufacture of gas; distribution of gaseous fuels through mains	40.20/0/0
	Wholesale of petroleum and petroleum products	51.51/1/0
	Wholesale of other fuels and related products	51.51/2/0
Gambling	Oil and gas supply by pipeline	60.30/0/1
	Gambling and betting activities	92.71/0/0
Tobacco	Manufacture of tobacco products	16.00/0/0
	Agents involved in the sale of food, beverages and tobacco	51.17/0/0
	Wholesale of unmanufactured tobacco	51.25/0/0
	Wholesale of tobacco products	51.35/0/0
	Non-specialised wholesale of food, beverages and tobacco	51.39/0/0
	Retail sale in non-specialised stores with food, beverages or tobacco predominating	52.11/0/0
	Retail sale of tobacco products	52.26/0/0
	Other retail sale of food, beverages and tobacco in specialised stores	52.27/0/0
Weapons	Manufacture of explosives	24.61/0/0
	Manufacture of weapons and ammunition	29.60/0/0

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# Important Information

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This document may contain statements about future events and expectations that are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, the words 'aim', 'expect', 'are committed', 'believe', 'should', 'intend', 'could', 'may', 'will', 'risk', 'purpose', 'target', 'goal', 'objective', 'intention' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as the NatWest Group's future economic results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations and general economic conditions. These and other factors, risks and uncertainties that may impact any forward-looking statement or the NatWest Group's actual results are discussed in the NatWest Group's most recent Annual Report and Accounts and materials filed with, or furnished to, the US Securities and Exchange Commission, including, but not limited to, the NatWest Group's most recent Annual Report on Form 20-F and Reports on Form 6-K. The forward-looking statements contained in this document speak only as of the date of this document and the NatWest Group does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

The NatWest Group shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the addressee.

There can be no assurance or representation that the use of an amount equal to the net proceeds of any Green, Social or Sustainability financing instrument for the allocation to an Eligible Asset will be, or will be capable of being, implemented in, or substantially in, such manner and/or in accordance with a timely schedule and that, accordingly, any proceeds of such Green, Social or Sustainability financing instrument will be totally or partially allocated for the financing and/or refinancing of an Eligible Asset, nor can there be any assurance or representation that such financing and/or refinancing will be completed within any specified period, or at all, or with the result or outcome (whether or not related to the environment) as originally expected or anticipated by the NatWest Group.

If the use of proceeds of a financing instrument for Eligible Assets is a factor in a prospective investor's decision to invest in the financing instrument, they should consult with their legal or other advisers before making an investment and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability financing instrument together with any other investigation such investor deems necessary.

In particular, no assurance or representation is given by the NatWest Group that the use of such proceeds for any Eligible Assets in accordance with this Framework will meet any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates, particularly regarding any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability financing instrument.

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# Important Information

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 an equivalently-labelled project or asset or (ii) as to what precise attributes are required for a particular project or asset to be defined as "green" or "sustainable" or such other equivalent label. No assurance or representation is given that the use of proceeds of any Green, Social or Sustainability financing instruments will accord with any specific definition, standard or consensus that may develop over time, or that any prevailing market consensus will not significantly change following an investment decision regarding the Green, Social or Sustainability financing instruments.

Accordingly, no assurance or representation is given that all or some of the use of proceeds of any particular Green, Social or Sustainability financing instrument or any Eligible Assets will meet investor expectations or requirements regarding such 'green', 'social' or 'sustainable' or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the "EU Taxonomy") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, the EU Taxonomy Climate Delegated Act of 21 April 2021 or the EU Commission's proposed regulation on a voluntary European Green Bond Standard (the "EUGBS"), and any related implementing regulation or technical screening criteria, or any similar or related legislation in the United Kingdom).

Moreover, no assurance or representation is given that a Green, Social or Sustainability financing instrument, at any time, meets the EU Taxonomy or the EUGBS or the continuously evolving standard(s) for such financing instruments, or that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability financing instrument will meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance objectives, or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Assets.

There is no contractual obligation, whether under this Framework or otherwise, on the NatWest Group to allocate the proceeds of any particular financing instruments to finance eligible businesses and projects or to provide annual progress reports as described herein. The failure to allocate the proceeds of any particular Green, Social or Sustainability financing instrument to finance an Eligible Asset or to provide annual progress reports, the failure of any of the Eligible Assets to meet any or all investor expectations regarding such 'green', 'social', 'sustainable' or other equivalently-labelled performance objectives, or the failure of an independent external review provider with environmental or social expertise to issue a second party opinion on the allocation of the financing instruments' proceeds may affect the value of any particular Green, Social or Sustainability financing instrument and/or have adverse consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets, however, it will not: (i) give rise to any claim by a person against the NatWest Group; (ii) constitute a default or breach of contract with respect to any particular Green, Social or Sustainability financing instrument or otherwise give a right to investors to request the early redemption or acceleration of any particular Green, Social or Sustainability financing instrument; (iii) lead to an obligation of the NatWest Group to redeem such financing instruments or be a relevant factor for the NatWest Group in determining whether or not to exercise any optional redemption rights in respect of any financing instruments; or (iv) affect the regulatory qualification of such financing instruments (as the case may be) as own funds and eligible liabilities, loss absorbing capacity instruments or regulatory capital (as applicable) of the NatWest Group.

For the avoidance of doubt; (i) there is no direct or contractual link between any Green, Social or Sustainability financing instrument and the Eligible Assets (or any other environmental or similar targets set by the NatWest Group) and consequently neither payments of principal and interest (as the case may be) on, nor an investor's right to accelerate repayment of, the Green, Social or Sustainability financing instruments shall depend on the performance of the relevant Eligible Assets or the performance of the NatWest Group in respect of any such environmental or similar targets, (ii) Green, Social or Sustainability financing instruments will be subject to the bail-in tool and to write down and conversion powers, and in general to the powers that may be exercised by the Bank of England or other applicable resolution authority, to the same extent and with the same ranking as any other similar financing instrument which is not a Green, Social or Sustainability financing instrument (iii) Green, Social or Sustainability financing instruments, as any other financing instruments, will be fully subject to the application of UK own funds eligibility criteria and regulatory requirements for own funds and eligible liabilities instruments and, as such, proceeds of Green, Social or Sustainability financing instruments qualifying as own funds or eligible liabilities will be fully available to cover any and all losses arising on the balance sheet of the relevant NatWest Group entity (in the same way as the NatWest Group's other instruments) regardless of their "green", "social", "sustainability linked" or other similar label, and (iv) their labelling as Green, Social or Sustainability financing instruments (a) will not affect the regulatory treatment of such Green, Social or Sustainability financing instruments; and (b) will not have any impact on their status or ranking.

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# Important Information

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