Succeeding with customers

NatWest Group

NatWest Group plc 2024 Green, Social and Sustainability Bonds Allocation and Impact Report

Inside this report

Assurance Approach

NatWest Group plc appointed Ernst & Young LLP (EY) to provide independent assurance over certain sustainability metrics, indicated with a LA (Limited Assurance) in this report.

The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 (July 2020), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (UK) 3000 July 2020'). An assurance report was issued and is available at natwestgroup.com. This report includes further details of the scope, respective responsibilities, work performed, limitations and conclusion. Refer to page 29.

NatWest Group's GSS Financing Framework

Our GSS Financing Framework was developed with the aim of attracting dedicated funding for loans and investments that have the potential to bring positive environmental or social outcomes. The framework provides a set of criteria to enable investments which support the transition to a net zero economy or bring positive social benefits and create long-term value for our stakeholders.

2024 GSS Bonds Allocation and Impact Report

This report seeks to communicate the allocation and estimated impact of the use of proceeds raised through the bonds issued under our GSS Financing Framework. For each bond relevant for the year ended 31 December 2024, we present the allocation overview, the estimated impact (as applicable) and underlying methodology. Allocation of proceeds and estimated impacts should be read in conjunction with the data limitations, assumptions and risks as well as the cautionary note presented in the Important information section of this report.

Our 2024 reporting suite

2024 Annual Report and Accounts

Disclosures related to our strategic performance, governance and remuneration, risk and capital management, along with our financial statements and related notes, including the independent auditor's report.

2024 Sustainability Report

Progress on sustainability-related matters, including our Climate transition plan. Supported by our Sustainability Datasheet, which outlines our key metrics and progress against selected industry-wide standards and our Sustainability Basis of Reporting.

Read more and download our reports at natwestgroup.com

'NatWest Group' refers to the company and its subsidiary and associated undertakings.

NatWest Group glossary and abbreviations

Succeeding with customers

Our purpose is to be the bank that turns possibilities into progress. By being a vital and trusted partner to our customers and understanding their hopes and needs, we want to help them make progress to reach their goals. By succeeding with our 19 million customers, we can also help to deliver growth across the local communities we serve and the wider UK economy.

Group Treasurer's review

A vital and trusted partner

At NatWest Group, we aim to be a vital and trusted partner to our customers, helping them turn possibilities into progress.

Crucial to fulfilling our strategy and purpose is the need to think and act in a long-term, sustainable way. As one of the largest banks in the UK, we believe we have the scale, reach, deep-rooted regional focus and expertise to assist our customers on their sustainability journeys. In doing so, we aim to capitalise on the opportunities that arise from the need for sustainable investment, while also aiming to support positive outcomes for our communities and the environment.

Supporting this, our green and social bond issuances aim to attract dedicated and diversified funding for loans and investments which have the potential to bring a positive environmental or social outcome. In 2024, we issued one green bond and one social bond, meaning that we have now issued eight bonds totalling £5.4 billion since 2019 under our GSS Financing Framework, supporting our diversified funding strategy.

Fuelling energy efficient mobility

Adoption of electric vehicles plays an important role in decarbonising the UK's mobility system and our €750 million Clean Transportation (Electric Vehicles) Green Bond, issued in August 2024, underscored our commitment to supporting customers in their transition to net zero.

This issuance made NatWest Group the first UK bank to issue a green bond exclusively for financing and re-financing electric vehicles. As at 31 December 2024, the bond proceeds had been allocated to almost 19,000 electric vehicle loans provided by our asset finance business Lombard, covering electric cars and light commercial vehicles.

Supporting the UK social housing sector

We issued our second Affordable Housing Social Bond in September 2024, with the proceeds of this €1 billion issuance allocated towards financing or refinancing loans to not-for-profit, registered housing associations in the UK. Through our two Affordable Housing Social Bonds, as at 31 December 2024 we supported 41 housing associations across the UK.

Additionally, we have an ambition to provide £7.5 billion in lending to the UK social housing sector from 1 January 2024 to 31 December 2026. Through this, we aim to help boost the availability and quality of UK social housing, supporting the UK economy in doing so.

Succeeding with customers

Beyond our new issuances, the proceeds of our previously issued green and social bonds continued to support positive outcomes, including contributing to the decarbonisation of the UK's energy and housing sectors, and promoting female entrepreneurship.

2024 saw continued growth in GSS bond issuances at a global level, with corporates and governments continuing to seek funding for their sustainability commitments and appetite from investors remaining resilient. In 2025 and beyond, we will continue to monitor the external market and assess opportunities with the potential to contribute to positive financial, customer and societal outcomes.

Donal Quaid
Group Treasurer

Green and social bonds key metrics

As outlined in our GSS Financing Framework, metrics are disclosed within this report as an indication of estimated impacts resulting from the allocation of bond proceeds towards eligible assets. Where the pool balance is greater than the issuance amount, the estimated impact metrics have been adjusted to only consider the impact of the element funded by the bond proceeds. Refer to pages 25 and 26 of this report for key data limitations, assumptions and risks in relation to green and social bond allocation and impact metric reporting.(1)

Renewable energy

17
renewable energy loans allocated as at 31 December 2024

105 GWh(2) (LA)
estimated renewable energy generated in 2024

21.8 $ktCO_2e$(3) (LA)
estimated carbon emissions avoided in 2024

Affordable housing

41 (LA)
housing associations supported as at 31 December 2024

395 (LA)
estimated new housing units developed/acquired(4)

Green buildings

5,114
Green Mortgages(5) allocated as at 31 December 2024

593,787m^2 (LA)
total floor area of the Green Buildings Bonds portfolio as at 31 December 2024

14.7 $ktCO_2e$
estimated carbon emissions avoided in 2024

Women empowerment

13,857 (LA)
loans allocated to women-led businesses as at 31 December 2024

Clean transportation(6)

18,919
electric vehicle loans allocated as at 31 December 2024

6.0 $ktCO_2$(3) (LA)
estimated carbon emissions avoided in 2024

Employment generation(7)

3,693
SMEs loans allocated as at 15 November 2024

7,680
estimated jobs created/enabled as at 15 November 2024

(1) Noting that 'estimated carbon emissions avoided' as shown in this report does not align with the definition of, and approach of calculating, 'avoided emissions' provided by the Partnership for Carbon Accounting Financials (PCAF) that is limited to project financings with restricted use of proceeds. Refer to pages 12, 15 and 16 for estimated emissions avoided calculation methodology.
(2) GWh is gigawatt-hours of energy.
(3) $ktCO_2e$ is kilotonnes of carbon dioxide equivalent. $ktCO_2$ is kilotonnes of carbon dioxide.
(4) Based on the data available for the 12-month period ended 31 March 2024.
(5) NatWest Group 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 and re-mortgage applications.
(6) For the Electric Vehicle Green Bond issued in July 2024, impact data is time apportioned.
(7) The Employment Generation Social Bond was redeemed on 15 November 2024. All metrics associated with this bond are as at 15 November 2024.

Our GSS Financing Framework

Our GSS Financing Framework was developed with the aim of attracting dedicated funding for loans and investments that have the potential to bring positive environmental or social outcomes. The asset categories of NatWest Group's issued bonds are outlined below, aligned with the key components of the International Capital Markets Association (ICMA) guidelines.[(1)]

Asset categories of NatWest Group issued bonds

Green buildings

Eligible assets for the construction, acquisition or retrofitting of green buildings which meet regionally, nationally, or internationally recognised standards or certifications.

Renewable energy

Eligible assets for the generation, equipment, development, manufacturing, construction, operation, storage, and maintenance of renewable energy generation sources.

Clean transportation

Eligible assets to support the transition to low carbon transportation of people and materials, in particular, electric cars and light commercial vehicles (LCV).

Employment generation

Eligible assets to support sole traders, partnerships, and small- and medium-sized enterprises, with geo-scoring of areas with high unemployment and/or low income.

Affordable housing

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 contributing to enhanced access for low-income residents or marginalised communities.

Women empowerment

Eligible assets in support of women sole traders, unincorporated partnerships where the majority of partners are women, limited liability partnerships or incorporated small- and medium-sized enterprises where at least 51% of the ownership or economic distributions are to women.

For further detail on the use of proceeds of our green and social bonds, the evaluation and the selection process, the management of proceeds and reporting refer to the GSS Financing Framework. Our GSS Financing framework also seeks to illustrate how our definition of eligible green and social assets map to and are influenced by the United Nations Sustainable Development Goals (UN SDGs).[(2)]

(1) The ICMA Green Bond Principles and ICMA Social Bond Principles represent a set of voluntary guidelines that recommend transparency, disclosure and promote integrity in the development of the green and social bond markets by clarifying the approach for issuing a green or social bond.
(2) The 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 'Eligible Green Assets' and 'Eligible Social Assets' definition. NatWest Group makes no representation, warranty, or assurance of any kind, express or implied, or takes no responsibility or liability as to whether the proposed aim of each 'Eligible Green Asset' and 'Eligible Social Asset' definition furthers the objective or achieves the purpose of the indicated SDG.

Our GSS bonds timeline

We published our first GSS Financing Framework in 2019, publishing our third iteration in December 2022. Since 2019, we have issued eight GSS bonds (four green and four social)[(1)]. For definitions of eligible assets under each bond, refer to page 5.

2019

July
Our first GSS Financing Framework published.

November
€750m Employment Generation Bond[(2)] issued.

2020

May
$600m Renewable Energy Bond[(2)] issued.

October
Second iteration of GSS Financing Framework published.

2021

February
€1,000m Affordable Housing Bond issued.

November
£600m Green Buildings Bond issued.

2022

August
€1,000m Renewable Energy and Green Buildings Bond issued.

December
Third iteration of GSS Financing Framework published.

2023

March
€500m Women-led Business Bond issued.

2024

August
€750m Electric Vehicle Green Bond issued.

September
€1,000m Affordable Housing Bond issued.

(1) Refer to page 8 for bond notional at issuance (£ million).
(2) The Employment Generation Bond issued in 2019 was redeemed in November 2024 and the Renewable Energy Bond issued in 2020 was redeemed in May 2023.

Bond issuance and management process

The process laid out below provides an overview of the key steps in the issuance and ongoing management of GSS bonds.

1 Assess bond issuance appetite

We issue bonds in line with our funding needs and subject to market conditions. When all criteria in terms of asset availability and market conditions are met, we can issue a GSS bond.

2 Review the NatWest Group loan book and identify loans that align with our GSS Financing Framework

Loans are provided to customers in line with NatWest Group's strategic priorities[(1)]. We review the loan book to understand the funding composition and identify assets that match the eligible categories specified in our GSS Financing Framework, which could be suitable for a GSS issuance.

3 Issue bond

We issue bonds from NatWest Group with the help of bookrunners. Once launched, investors advise of their indications of interest, and we price and size the bond.

4 Fully allocate and manage the asset pool

We aim to allocate an amount equivalent to, or in excess of, the net proceeds of the bonds to eligible assets aligned to the definitions set out in our GSS Financing Framework. In the case of all bonds active as at 31 December 2024, for a loan to be allocated to the pool, it must have been originated within the previous 36 months. The pool balance is dynamic, which means the balance can reduce as eligible assets decrease in asset value due to repayments. Assets are removed from the pool if they no longer meet the eligibility criteria. The pool balance increases when eligible assets are added to the pool, up until the bond is called or matures.

As selected loan facilities are repaid, new eligible assets are selected in line with the criteria. Any changes to the asset pools are subject to review and approval by the Green, Social and Sustainability Financing Working Group comprising members from teams including Treasury, Finance, Climate Centre of Excellence and Sustainable Banking. For further information on the evaluation and selection process, as well as exclusions, refer to our GSS Financing Framework.

5 Report on allocation and impact

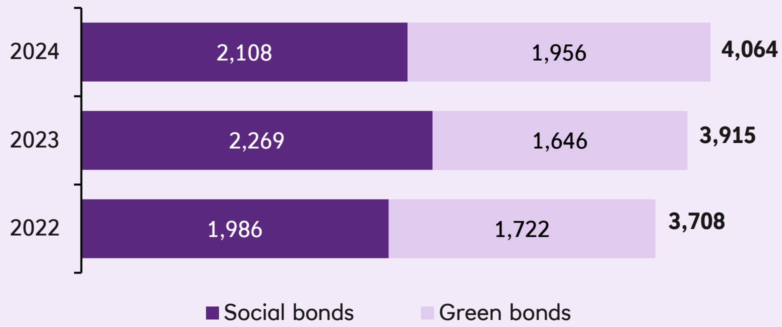
A consolidated allocation and impact report including all active GSS bonds is published annually using a reporting date of 31 December. Due to availability of data or redemption dates, a different reporting date may be used for specific metrics.

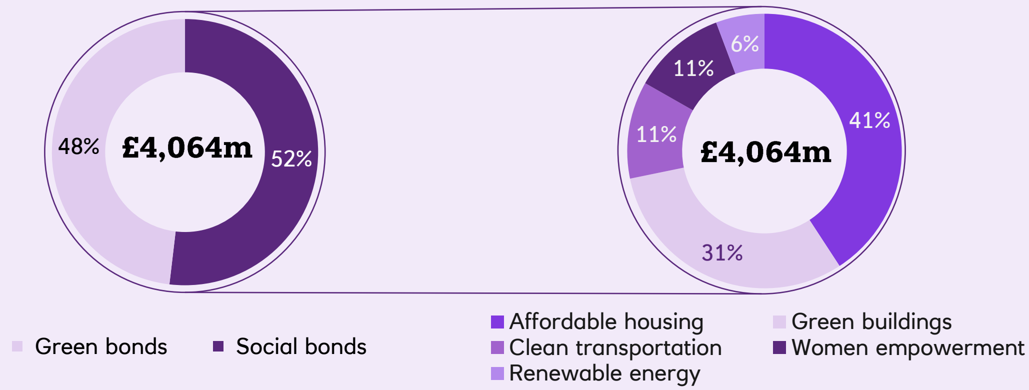
(1) Read more on our strategic framework and investment case on pages 10 and 16 of the NatWest Group plc 2024 Annual Report and Accounts.

Green and social bonds portfolio

As at 31 December 2024, NatWest Group had six GSS bonds outstanding (three green and three social). Our Employment Generation Social Bond was redeemed in November 2024. As at 31 December 2024, the combined pool balance for the six bonds was £4.1 billion. A summary is included in the charts and table below.

Combined pool balance as at 31 December 2024 (£m)





ICMA Category	Issue date	Call date(1)	Issued currency	Bond notional in issued currency (m)(2)	Bond notional at issuance (£m)(3)	Pool balance as at 31 Dec 2024 (£m)(4)	Allocation of bond (%)(5)	ISIN
Green buildings	09/11/2021	09/11/2027	GBP	600	600	629	100	XS2405139432
Renewable energy and green buildings	30/08/2022	06/09/2027	EUR	1,000	860	861	100	XS2528858033
Clean transportation	05/08/2024	05/08/2030	EUR	750	631	466	80	XS2871577115
Green bonds (active)					2,091	1,956		
Affordable housing	23/02/2021	26/02/2029	EUR	1,000	867	1,000	100	XS2307853098
Women empowerment	07/03/2023	14/03/2027	EUR	500	446	449	100	XS2596599063
Affordable housing	05/09/2024	12/09/2031	EUR	1,000	843	659	78%	XS2898838516
Social bonds (active)					2,156	2,108		
Total green and social bonds (active)					**4,247**	**4,064**		
Redeemed bonds (inactive)								
Renewable energy	25/05/2020	22/05/2023	USD	600	493	-	N/A	US780097BN03
Employment generation	15/11/2019	15/11/2024	EUR	750	642	-	N/A	XS2080205367

(1) Maturity date of the bonds is 12 months after the call date.
(2) Notional is the principal amount of the bond issued at closing which the coupon payments are based on. This is the amount which will be repaid at maturity.
(3) Sterling equivalent based on the FX rate at issuance (closing rate on the date of settlement).
(4) Balance represents the eligible portfolio for each bond. This is the total drawn value of all eligible assets allocated to each bond as at 31 December 2024. Allocation of bond (%) is the pool balance (£ million) as at 31 December 2024 divided by the notional balance (£ million). This is limited to 100% and represents the % allocation.
(5) Allocation of bond is the pool balance (£ million) as at 31 December 2024 divided by the notional balance (£ million). This is limited to 100% and represents the % allocation.

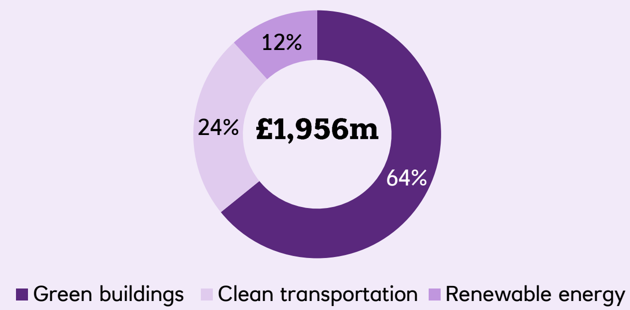
Green bonds portfolio summary

As at 31 December 2024, the total pool balance of active green bonds was £2.0 billion[(1)], compared with £1.6 billion in 2023.

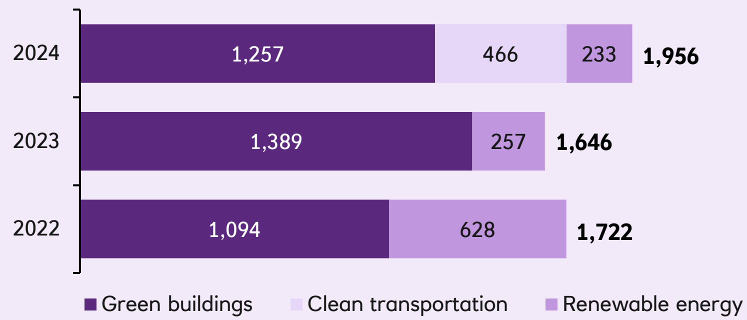
Amounts equivalent to the green bonds proceeds are allocated to fund lending to renewable energy projects, Green Mortgage products[(2)] and clean transportation. Differences in pool size and composition compared to 2023 are explained by the below changes:

- We issued a new Clean Transportation (Electric Vehicles) Bond in August 2024, which was 80% allocated as at 31 December 2024. The other green bonds are fully allocated.
- For green buildings, the balance reduced primarily due to customer repayments.

Pool balance summary as at 31 December 2024



Change in pool balance and composition (£m)



Pool balance composition as at 31 December 2024 (£m)[(3)]

ICMA category	Green Buildings Bond	Renewable Energy and Green Buildings Bond	Clean Transportation Bond	Total
Offshore wind		165		165
Onshore wind		60		60
Hydropower		9		9
Renewable energy		**233** LA		**233** LA
EPC ‘A’ Rated properties	17 LA	16 LA		33 LA
EPC ‘B’ Rated properties	612 LA	612 LA		1,224 LA
Green buildings[(4)]	**629** LA	**628** LA		**1,257** LA
Car			393 LA	393 LA
LCV			73 LA	73 LA
Clean transportation			**466** LA	**466** LA
Total	**629** LA	**861** LA	**466** LA	**1,956**

Estimated impact summary [(3)]

We estimated the impact for green bonds using metrics associated with green buildings, renewable energy and clean transportation as outlined in our GSS Financing Framework, for the 12-month period ended 31 December 2024. The impact of the Clean Transportation (Electric Vehicles) Bond is included on a time apportioned basis to reflect the time in issuance within the reporting period, refer to page 15 for details. To provide a holistic view of the estimated impacts resulting from the allocation of bond proceeds we generally report estimated carbon emissions avoided and estimated renewable energy generated on a consolidated basis, rather than by individual bond. Where relevant, bond level detail is also provided.

ICMA category	Estimated carbon emissions avoided ($ktCO_2e$)	Estimated carbon emissions avoided ($ktCO_2$)	Estimated NatWest Group renewable energy generated (GWh)
Renewable energy	21.8 LA	n/a	105 LA
Green buildings	14.7	n/a	n/a
Clean transportation	n/a	6.0 LA	n/a
Total	**36.5**	**6.0** LA	**105** LA

(1) Sterling equivalent based on the FX rate at issuance (closing rate on the date of settlement)
(2) Based on mortgages for energy efficient homes (Energy Performance Certificate (EPC) A or B rated) being aligned to the World Green Building Council definition of green mortgages and now having Pioneer status with the Green Home Finance Principles.
(3) Totals may not cast due to rounding.
(4) Further detail on impact calculation methodology and estimated impacts can be found on pages 11, 14 and 15. For the associated data limitations, assumptions and risks, refer to page 25.

Renewable energy allocation summary

NatWest Group issued a hybrid Green Buildings and Renewable Energy Bond in August 2022 (ISIN: XS2528858033), which had an overall pool balance of £862 million as at 31 December 2024. For the renewable energy portion of the bond, proceeds are allocated towards financing or refinancing renewable energy projects across the United Kingdom. Amounts equivalent to the proceeds of the renewable energy portion of the bond have been used to support a range of renewable energy technologies, namely offshore wind, onshore wind and hydropower. The bond continued to be fully allocated as at 31 December 2024

As at 31 December 2024, the total pool balance of the renewable energy portion of the bond was £233 million, compared to £257 million in 2023. 99% of renewable energy deals are syndicated, in line with 2023.

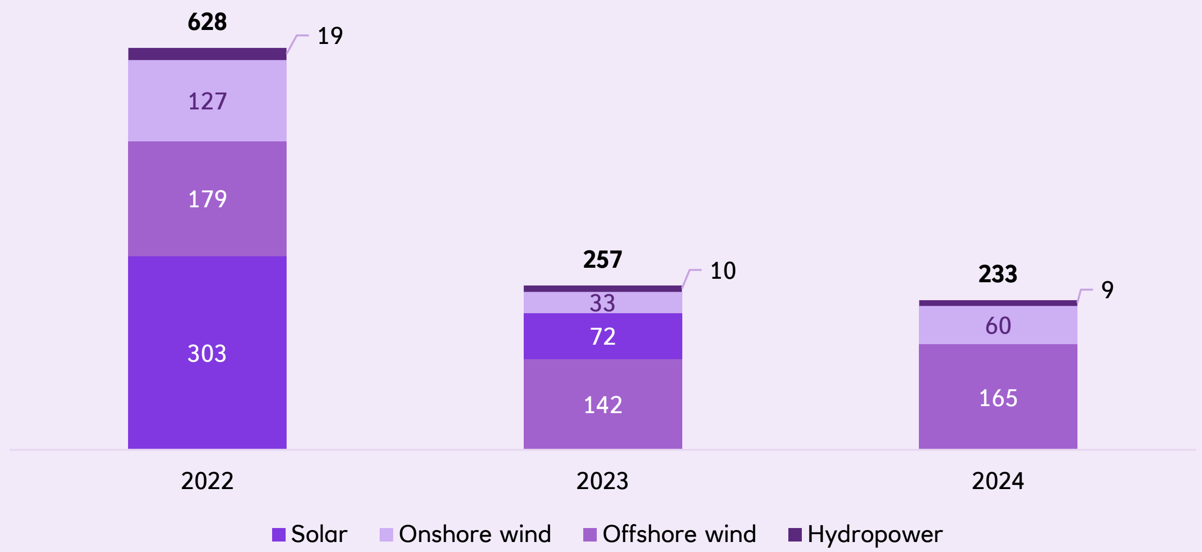
The chart below provides the pool composition by renewable energy technology type over time. The significant decrease between 2022 and 2023 was primarily due to a renewable energy bond being redeemed in May 2023 (ISIN: US780097BN03).

Allocation overview as at 31 December 2024

£233 million (LA)
pool balance

17
renewable energy loans allocated to the Renewable Energy Bond

Change in pool composition by renewable energy technology type (2022 – 2024) (£m)(1)



(1) Totals may not cast due to rounding.

Renewable energy impact summary

Estimated impact calculation methodology

Emissions avoided is estimated using the Scope 1 and Scope 2 emissions associated with yearly power plant generation using renewable technology, versus the emissions that would have been produced using the average intensity of the UK electricity grid.

To calculate emissions avoided we use the following inputs:

A. Installed capacities of the projects, megawatt (MW) (of which NatWest Group share (%)).
B. Assumed time period of operation, in hours, calculated from settlement date to reporting date.
C. Publicly available renewable load factors relevant to each renewable energy type to estimate operating capacities. These factors are applied to installed capacities to account for environmental and meteorological variations, which impact estimated energy generation[1].
D. We apply the Department for Energy Security and Net Zero published emissions factors, based on tonnes of carbon dioxide equivalent per gigawatt-hours ($kgCO_2e/GWh$). This includes the carbon emissions produced by the total estimated electricity generation in the UK[1].

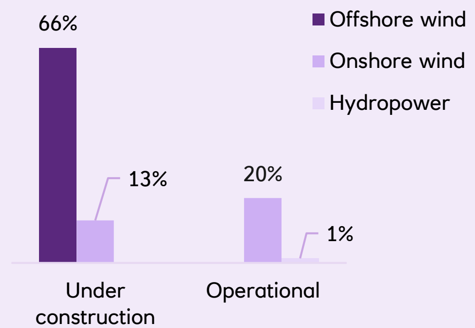
(**A. Installed capacity by technology type (MW) (NatWest Group share)** × **B. Assumed time period in operation (hrs)** × **C. UK Government load factors (%)**) × **D. UK Government emissions factors ($kgCO_2e/GWh$)** = **Estimated carbon emissions avoided through renewable energy projects ($ktCO_2e$)**

Estimated impact

This table shows the estimated impact of the green bond proceeds within the renewable energy portfolio as at 31 December 2024 up to the bond notional amount, refer to page 8.

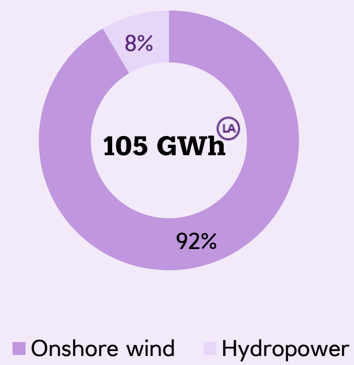
				Estimated impact		
Renewable energy technology	NatWest Group pool balance (£m)	Total installed capacity (MW)[3]	NatWest Group installed capacity (MW)[3]	Estimated total renewable energy generated (GWh)	Estimated NatWest Group renewable energy generated (GWh)	Estimated carbon emissions avoided ($ktCO_2e$)
Under construction						
Offshore wind	165	3,590	133	-	-	-
Onshore wind	29	108	26	-	-	-
Operational						
Onshore wind	31	234	40	560	96	20.0
Hydropower	9	3	3	9	9	1.8
Total allocated[4]	**233** LA	**3,934**	**203**	**569**	**105** LA	**21.8** LA

Operational status as at 31 December 2024 (NatWest Group installed capacity MW)



Under construction projects:
- The offshore wind projects are due to become operational between October 2025 and December 2027.
- The onshore wind project operational date is April 2025.

Estimated NatWest Group renewable energy generated by energy technology type as at 31 December 2024



(1) Impact calculations for the renewable energy portfolio have been aligned to the NatWest Group 2023 year-end financed emissions methodology (electricity generation model) which uses the DUKES 2022 load factors and grid intensity DEFRA 2023. If 2023 load factors and 2024 grid intensities had been used there would be a 2.1kt reduction in estimated emissions avoided and a 10 GWh reduction in NatWest Group estimated renewable energy generated (GWh).
(2) Projects under construction are assigned nil Scope 1 and Scope 2 emissions and no estimated impact is calculated as they are not currently generating electricity.
(3) Installed capacity presented as at 31 December 2024.
(4) Total allocated represents the portion of the pool funded by the bond proceeds. Totals may not cast due to rounding.

CASE STUDY

Renewable energy

Supporting the development of onshore wind

Electrification and low-carbon electricity supply remain essential to the UK fulfilling its legal commitment to reach net zero greenhouse gas emissions by 2050, representing 60% of required emissions reductions by 2040. Under the UK Climate Change Committee's Seventh Carbon Budget, the balanced pathway anticipates a doubling of onshore wind capacity to 32GW by 2040.

Supporting this necessary expansion NatWest Group worked with established Quebec-based renewables developer Boralex Inc, via its UK subsidiary, to facilitate the construction and operation of a new 108MW onshore windfarm, near Caithness in northern Scotland in 2024.

The Limekiln Wind Farm forms part of the customer's ambitions to have a 1GW ready-to-build and installed capacity portfolio in the UK by 2030, in addition to its existing 3.1GW of installed renewable capacity across France, Canada and the US.

NatWest Group acted as co-mandated lead arranger and co-lender in a syndicated lending deal to support the windfarm's construction in 2024, ultimately contributing approximately £29 million towards the project. We also served as facility agent, security agent, hedge counterparty and account bank. The windfarm was commissioned and became operational in early April 2025. Its 24 Vestas V136 turbines, each of 4.5MW capacity, are expected to provide enough electricity to power 96,000 average UK homes every year for up to 40 years.

Green buildings allocation summary

NatWest Group offers a range of Green Mortgage products, which provide discounted rates for purchasing or remortgaging an owner-occupied or buy to let property with a valid EPC rating[1] of A or B.

NatWest Group's Green Buildings Bond portfolio is comprised of a Green Buildings Bond issued in November 2021 (ISIN: XS2405139432) and the green buildings portion of the hybrid Green Buildings and Renewable Energy bond issued in August 2022 (ISIN: XS2528858033). Amounts equivalent to the proceeds of the Green Buildings Bond portfolio have been used towards financing or refinancing of Green Mortgage products within Retail Banking.

As at 31 December 2024, the total pool balance of the Green Buildings Bond portfolio was £1.3 billion, compared to £1.4 billion in 2023 and remained fully allocated. The year-on-year change in pool balance is due to customer repayments.

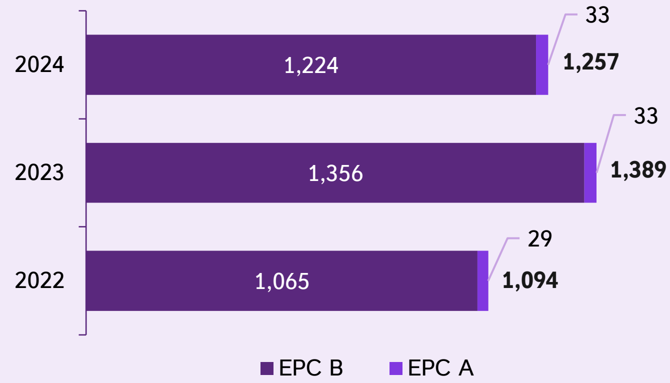
The charts below show the breakdown of pool balance by geographic distribution and EPC ratings, both of which are stable over time.

Allocation overview as at 31 December 2024

£1,257 million (LA)
pool balance

5,114
Green Mortgages allocated to the Green Buildings Bond portfolio

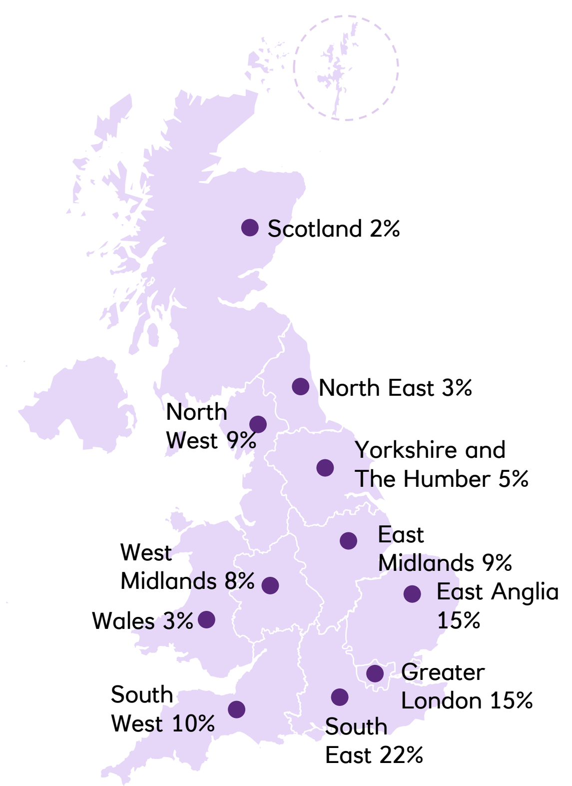
Pool composition (£m) by EPC rating



Bond-by-bond breakdown

ISIN	Pool balance (£m)	EPC A Green Mortgages	EPC B Green Mortgages	Total Green Mortgages
XS2405139432	629 (LA)	55	2,579	2,634
XS2528858033	628 (LA)	48	2,432	2,480
Total	**1,257** (LA)	**103**	**5,011**	**5,114**

Pool balance by geographic distribution[2]



(1) For a summary of the limitations of carbon emissions calculated using EPC ratings, refer to page 60 of the NatWest Group 2024 Sustainability Report.
(2) Totals do not cast due to rounding.

Green buildings impact summary

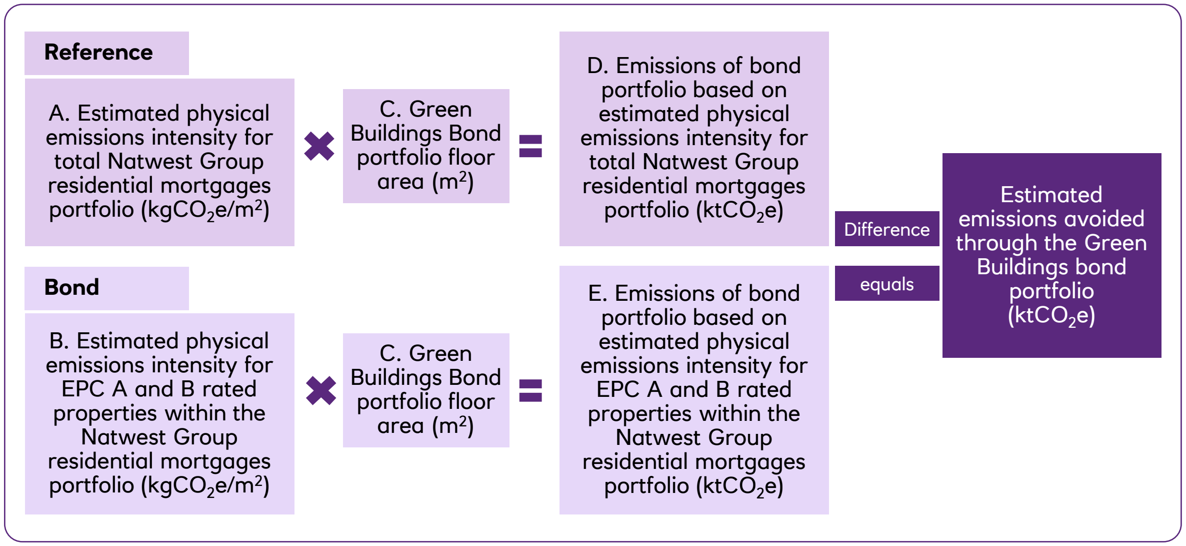
Estimated impact calculation methodology

A. NatWest Group's total residential mortgage portfolio had an estimated physical emission intensity of 38.4 $kgCO_2e/m^2$[(1)(2)] as at 31 December 2023, with an overall PCAF[(3)] data quality score of 3.7. This is calculated one year in arrears due to a lag in data availability.

B. The estimated physical emissions intensity related to the Retail Banking Green Mortgage portfolio of EPC A or B rated residential mortgage properties was 14.2 $kgCO_2e/m^2$, therefore properties in the Green Mortgage portfolio are approximately 63% less carbon intensive than the overall NatWest Group residential mortgage portfolio. This could be due to various factors including the building age, levels of insulation in the building fabric, or low carbon energy sources.

C. The total floor area[(4)] of properties with Green Mortgages within the Green Buildings Bond portfolio was 593,787m^2 as at 31 December 2024.

Emissions avoided is estimated by calculating the Scope 1 and Scope 2 emissions associated with an EPC A or B rated property versus the estimated emissions intensity of the total Natwest Group mortgage portfolio. The estimated emissions of the bond and the reference pool are both multiplied by the total floor area of the green buildings bond portfolio so an equivalent position can be understood. No adjustment is made for mortgage loan-to-value within the methodology calculation. For further details on the related data limitations, assumptions and risks, refer to page 25[(5)].



Estimated impact

The estimated impact of loans included within the Green Buildings Bond portfolio for the 12-month period ended 31 December 2024, up to the bond notional amount, refer to page 8.

14.7 $ktCO_2e$
estimated carbon emissions avoided through the Green Buildings Bond portfolio

Bond-by-bond breakdown

ISIN	Estimated carbon emissions avoided ($ktCO_2e$)
XS2405139432	7.7
XS2528858033	7.0
Total	**14.7**

(1) The physical emissions intensity estimates for NatWest Group total residential mortgages portfolio is sourced from page 41 of the NatWest Group 2024 Sustainability Report and the physical emissions intensity estimates for the subset of EPC A or B rated residential mortgage properties is derived from the same model.
(2) $kgCO_2e/m^2$ is kilograms of carbon dioxide emissions equivalent per square metre of floor space.
(3) The PCAF Standard for financed emissions recommends applying a data quality scoring methodology to help assess data quality challenges and recognise areas for improvement. PCAF's ratings assign directly collected customer emissions data a better score while estimated or extrapolated data achieves lower scoring.
(4) The total floor area is an aggregate of the total floor area of each property in the Green Buildings Bond portfolio as disclosed in the relevant EPC certificate.
(5) For further detail on the methodology, assumptions and limitations of carbon emissions calculated using EPC ratings, refer to the NatWest Group 2024 Sustainability Basis of Reporting.

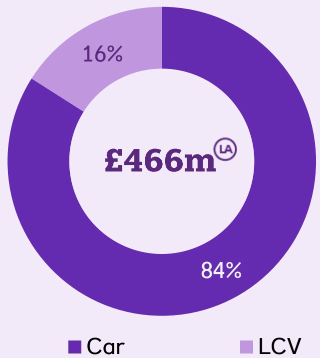
Clean transportation (electric vehicles) allocation and impact summary

NatWest Group issued its first Clean Transportation (Electric Vehicles) Bond(1) in August 2024 (ISIN: XS2871577115). The bond was 80% allocated as at 31 December 2024, with a pool balance of £466 million. The clean transportation financing that the bond is intended to support originates from NatWest Group's asset finance business, Lombard. The proceeds were used to exclusively finance or re-finance electric vehicles.

Estimated emissions avoided in relation to this bond reflect estimated CO_2 emissions exclusively related to the burning of fuel in vehicles (vehicle tailpipe emissions) and do not take into account entire lifecycle emissions. This reflects the availability and quality of data and the asset level approach taken towards the measurement of the impact of this bond. The estimated impact is time apportioned, reflecting the period following issuance during 2024. Refer to pages 25 - 28 for further details of data limitations, assumptions and risks.

Allocation overview as at 31 December 2024

18,919
Electric vehicle loans allocated to the Clean Transportation (Electric Vehicles) Bond



Allocation and estimated impact by electric vehicle type as at 31 December 2024 (£m)

	Allocation	Estimated impact
Vehicle type	**Pool balance (£m)**	**Estimated tailpipe emissions avoided ($ktCO_2$)**
Car	393 LA	5.8
LCV	73 LA	0.2
Total	**466** LA	**6.0** LA

Estimated impact calculation methodology

A. Baseline emissions are a representative proxy of the four key fuel types (electric, hybrid, petrol, and diesel) that comprise Lombard's car and LCV book as at 31 December 2024. Annual CO_2 emissions are shown per km, the outputs are calculated by multiplying the grams of CO_2 per vehicle by the estimated km per year. For cars and LCVs this is 11,333km based on data from the 2024 International Energy Agency (IEA) Global EV Outlook. The DVLA CO_2 g/km values used in the calculation are aligned with data used for Vehicle Excise Duty (VED) rates in the United Kingdom.
B. A balance scalar % is applied, whereby the NatWest Group EV bond pool balance is divided by the proxy pool balance.
C. A pool split adjustment is then applied, whereby proxy pool CO_2 outputs are divided by the proxy balance split %. The output is then divided by the EV bond balance split %.
D. A time scalar is also applied, whereby the number of days in issue is divided by the number of days in the given year (2024: 366 days) to calculate the estimated tailpipe emissions avoided in $ktCO_2$ on a time apportioned basis.

A. Baseline proxy pool CO_2 × B. Balance scalar % × C. Pool split adjustment × D. Time scalar % = Estimated tailpipe emissions avoided ($ktCO_2$)

(1) The Clean Transportation (Electric Vehicles) Bond is intended to finance or refinance eligible assets in the form of leases (financial and operating), hire purchase agreements, loans and other arrangements to finance the use and purchase of electric vehicles (cars and LCVs). The green label of this bond derives from the inclusion of electric vehicles as Eligible Green Assets under the 'Clean Transportation' category defined in NatWest's Green, Social and Sustainability Financing Framework and the ICMA Green Bond Principles 'Clean Transportation' category. NatWest Group is not claiming that this 'green' or 'clean transportation' categorisation necessarily meets others' expectations or requirements for describing or classifying activities, products or assets as 'green' or transportation as 'clean'.

CASE STUDY

Clean Transportation

Supporting Liberty Group with going electric

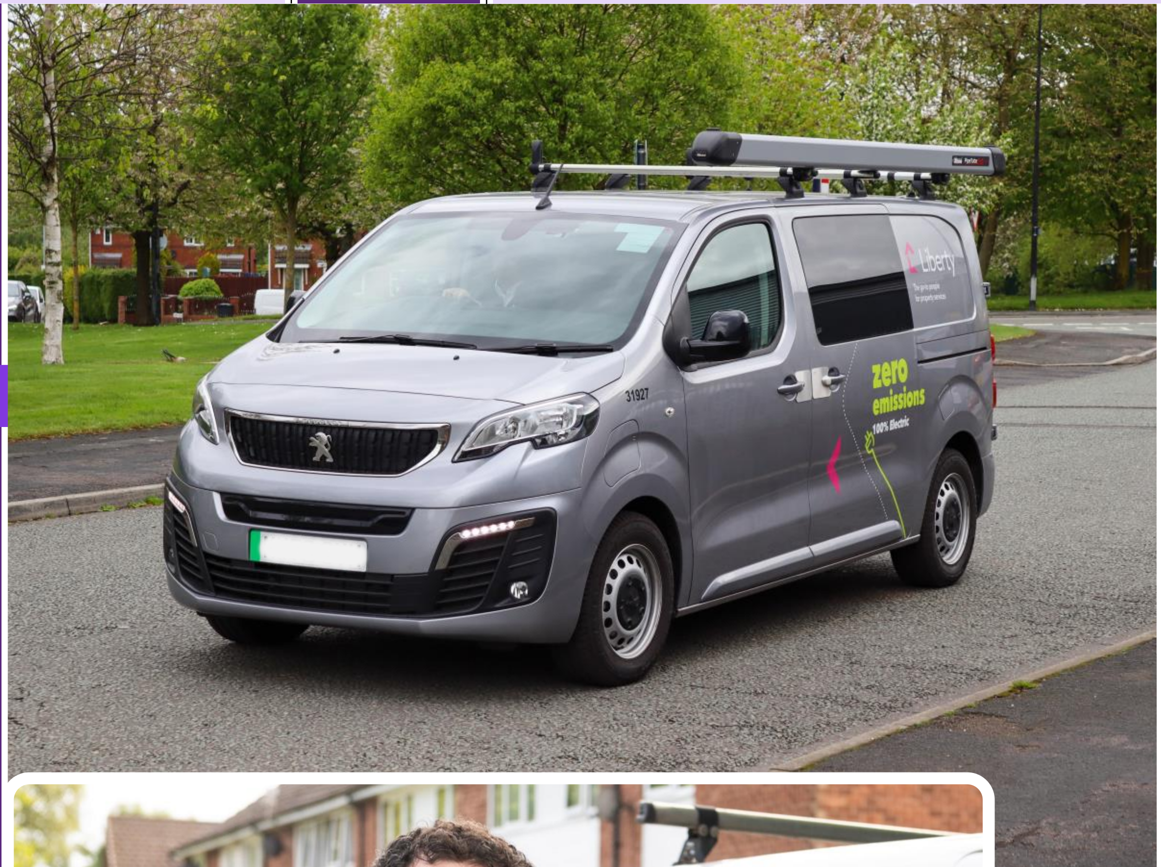
Through our Lombard Vehicle Solutions business, Natwest Group has an established relationship with national property services business, Liberty, having worked with the business on its company car policy since 2018.

Following its acquisition by WPS, the property services arm of Wates Construction Group, in October 2024, the business continues to operate under the Liberty name as part of WPS.

Across Liberty's fleet of 70 company cars and more than 750 LCVs, Lombard was able to demonstrate the potential total cost of ownership benefits that embracing both hybrid and pure EV fuel types could bring.

Delivered through our partnership with Ayvens, formerly ALD Automotive Ltd, Lombard has been able to specifically support subsidiary Liberty Gas Group with its acquisition of electric LCVs, along with several EV company cars.

"Partnering with Lombard helped us get a real handle on the lifetime cost of electric vehicles, giving us the confidence to know that all-electric cars work for us today, and that cost-effective all-electric vans aren't far away either."
Sam Greenwood, Head of Fleet at Liberty.



Social bonds portfolio summary

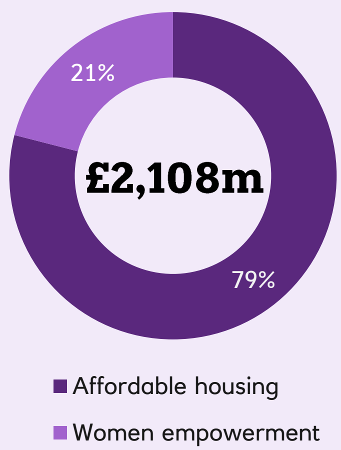
As at 31 December 2024 the total pool balance of active social bonds was £2.2 billion, compared to £2.3 billion in 2023.

Amounts equivalent to the social bond proceeds were allocated to not-for-profit registered housing associations throughout the UK and to businesses defined as women-led. Differences in pool size and composition compared to 2023 are explained by the below changes:

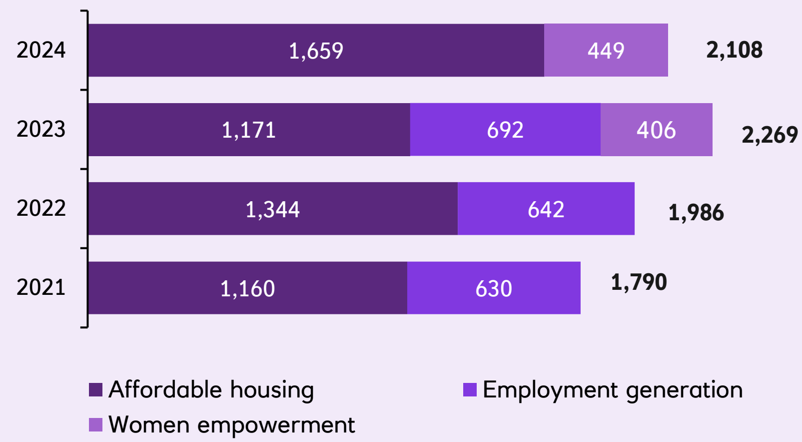
- The Employment Generation Bond (ISIN: XS2080205367) was redeemed on 15 November 2024. In this report, it is excluded from allocation summaries as at 31 December 2024.
- We issued a new Affordable Housing Bond (ISIN: XS2898838516) in September 2024 which was 78% allocated as at 31 December 2024. The Affordable Housing Bond (ISIN: XS2307853098) issued in February 2021 remained fully allocated. Allocation reporting on the affordable housing bonds is generally on a consolidated asset class basis, with bond-level information provided where relevant. Impact reporting is limited to the bond issued in February 2021 (ISIN: XS2307853098).
- The Women-led Business Bond (ISIN: XS2596599063) issued in March 2023, which was 91% allocated as at 31 December 2023, was fully allocated as at 31 December 2024.

Pool balance summary as at 31 December 2024 (£m)

ICMA Category	Pool balance by region (£m)
Affordable housing	
England	1,173
Scotland	486
Total	**1,659** (LA)
Women empowerment	
England	357
Scotland	57
Wales	19
Northern Ireland	16
Total	**449**
Total pool balance	**2,108**



Change in pool balance and composition (£m)



Employment generation allocation summary

The Employment Generation Social Bond aimed to support economic activity in socio-economically disadvantaged areas of the UK and, in doing so, aimed to help individuals living there to gain or sustain employment. The net proceeds of the bond were used to finance or refinance general corporate purpose loans issued to UK SMEs located in the 30% most economically-deprived Local Authority Units (LAUs). Location is based on the business address registered with NatWest Group.

The bond was redeemed on 15 November 2024 and the information below, and on the following page, reflects the allocation as at this date.

Process for allocating loans

1. Loan book filtered for SME criteria, borrower sector, loan performance and loan encumbrance. For a loan to be allocated to the pool, it must have been originated within the previous 36 months. Excluded sectors are outlined in Appendix 1 of our GSS Financing Framework.

2. Postcodes used to assign LAU codes to each loan, enabling mapping to Office for National Statistics (ONS) data.

3. To determine which LAUs are the most economically-deprived, bespoke methodology followed using Unemployment Claimant Data and Gross Value Added (GVA) per head data published by the ONS. LAUs were sorted into deciles, with loans in the bottom three deciles included in the asset pool.

Allocation overview as at 15 November 2024

£700 million (LA) pool balance

3,693 SMEs loans allocated(1)

70 sectors supported through loans

102 Local Authority Units (LAUs) covered across the UK

(1) Measures were introduced during 2020 by the UK Government to support businesses affected by COVID-19.The Bounce Back Loan Scheme helped small- and medium-sized businesses to borrow between £2,000 and £50,000, guaranteed by the UK Government. As at 15 November 2024, 69% of loans in the asset pool were Bounce Back Loans.

Employment generation impact summary

The impact methodology makes estimations based only on loans included in the asset pool as at 15 November 2024. As our impact methodology is based on a point-in-time approach, estimations as at 31 December 2023 may also be reflected in our impact as at 15 November 2024 where the same loan was in the asset pool on both dates.

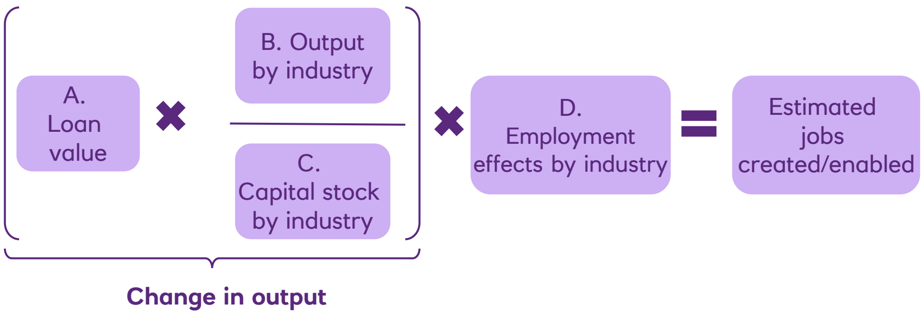
Estimated impact calculation methodology:

Jobs created/enabled refers to jobs which may be either brought about or maintained through the investment financed by the loans provided.

For our calculation we use the data outlined below. The ONS data is published with time lags. The longest lag is for the industry-specific employment effects data, for which we use 2022 data. For consistency, the other ONS data used relate to the same period.

A. Loan value – the value of our loans to SMEs (scaled down to reflect the bond proceeds of £642 million).
B. Output by industry from the UK IO tables (ONS) (February 2025)
C. Capital stock by industry (ONS) (November 2024)
D. Employment effects by industry (ONS) (March 2025)

Estimated jobs created/enabled are calculated as below:



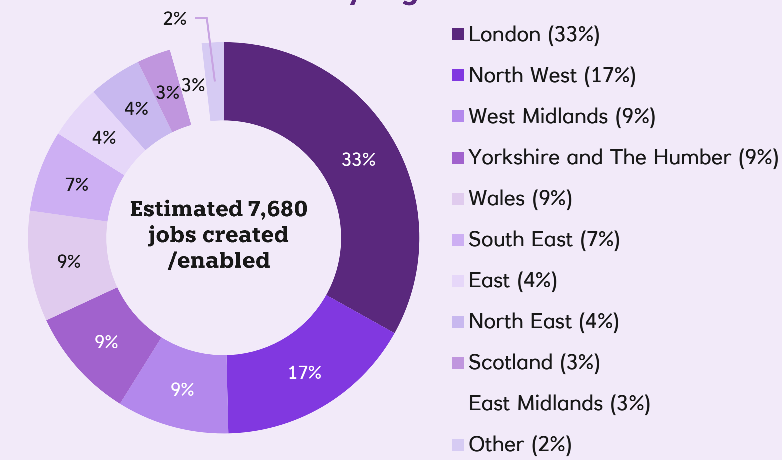
Refer to the 2023 GSS Bonds Allocation and Impact Report for more information on the impact methodology for the Employment Generation bond and refer to page 26 of this report for further notes on data limitations, assumptions and risks associated with this methodology.

Estimated impact

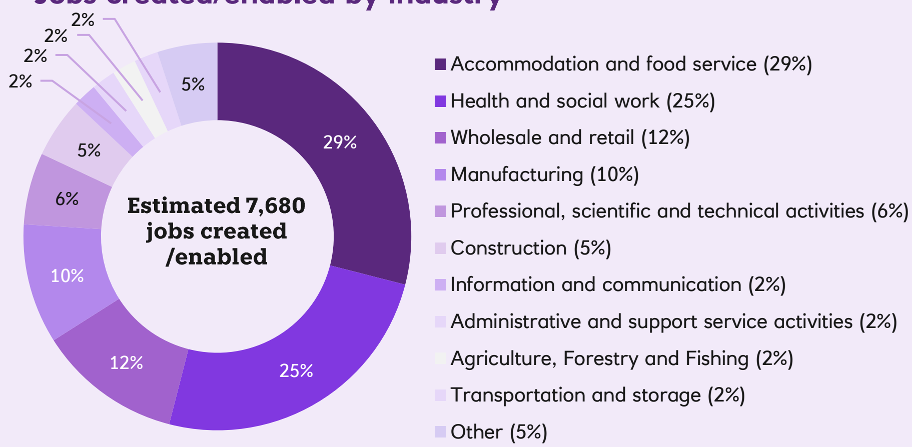
It is estimated that **7,680** FTE jobs have been created or enabled based on the 3,693 loans included in the asset pool as at 15 November 2024.

Variances to outcomes reported in our 31 December 2023 reporting at an aggregate, regional and industry level are driven by changes in asset pool composition, revised sector classification and the use of updated ONS data.

Jobs created/enabled by region (1)



Jobs created/enabled by industry



(1) Jobs created/enabled by region presented above is based on the business address registered with NatWest Group.
(2) Jobs created/enabled by industry presented above is based on UK Standard Industrial Classification (SIC) 2007.

Affordable housing allocation summary

In September 2024, we issued our second Affordable Housing Social Bond (ISIN: XS2898838516), following our first issuance in February 2021 (ISIN: XS2307853098). The net proceeds of the two Affordable Housing Social Bonds have been used towards financing or refinancing loans(1) to not-for-profit, registered housing associations operating in the UK. The loans are intended to support positive social impacts through assisting housing associations to provide affordable housing. As at 31 December 2024, the proceeds of the two bonds are supporting 41 housing associations. 22 housing associations were supported by one bond in 2023. The geographic distribution of the pool balance by value across the two bonds is 71% England and 29% Scotland as at 31 December 2024, in line with 2023.

Additionally, we have an ambition to provide £7.5 billion in lending to the UK social housing sector from 1 January 2024 to 31 December 2026. In April 2025, the National Wealth Fund (NWF) announced a financial guarantee of up to £400 million to cover a series of new loans provided by NatWest Group to registered social housing providers for the retrofit of social housing stock in the UK.

Allocation overview as at 31 December 2024

£1,659 million (LA)
pool balance with the average loaned to each housing association
£40.5 million

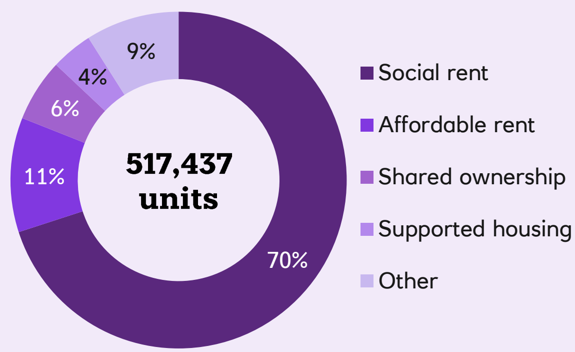
41 (LA)
housing associations supported

89%
in term loans and
11%
revolving credit facilities

Bond-by-bond breakdown

ISIN	Pool balance (£m)	Housing associations supported
XS2307853098	1,000	19
XS2898838516	659	24
Total	**1,659**	**43(2)**

Unit types provided by housing associations in pool as at 31 December 2024(3)



Definitions:

Social rent: Homes provided by local authorities and housing associations with rent levels materially lower than market rents with increases limited by government, offering more secure, long-term tenancies than private renting.

Affordable rent: A scheme for a broader range of incomes than social rent, with homes provided by local authorities and housing associations, ensuring rents are no higher than 80% of local market rent.

Shared ownership: Allows applicants to purchase a percentage of a property from a housing association, paying rent on the remaining part, subject to eligibility criteria and income cap.

Supported housing: 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.

(1) Primarily interest-only loans with repayment of the principal amount borrowed at the end of the loan term.
(2) Two housing associations have loans allocated to more than one asset pool. No single loan is allocated to more than one asset pool. The total number of unique housing associations supported across the two bonds is 41.
(3) Based on definitions outlined in our GSS Financing Framework.

Affordable housing impact summary

Estimated impact calculation methodology

To estimate impact, we use the amount of lending provided by NatWest Group to the housing associations, along with the financial data provided by the Regulator of Social Housing for English Housing Associations and the Scottish Housing Regulator for Scottish Housing Associations (the Regulators).

The allocation as at 31 March 2024 is used for the impact calculation. This is to align to the most recently available financial data published by the Regulators, which is for the 12-month period ended 31 March 2024.

The impact calculation on this page is based on the Affordable Housing Social Bond issued in February 2021 only (ISIN: XS2307853098). It does not include any impact calculation for the Affordable Housing Bond issued in September 2024 because housing association financial data, which is needed for the calculation, is not available for the period since bond issuance.

Methodology:

A. Total Investment Funds for the housing associations are calculated as the sum of their operating surplus, debt and capital grants as disclosed in regulatory filings for the year ended 31 March 2024. The amount we consider NatWest Group to have contributed to the Total Investment Funds is the loan balances as at 31 March 2024 (scaled down to reflect the bond proceeds of £867 million).

B. To calculate assumed impact on the development or acquisition of new housing units, we take the number of new units developed or acquired by each housing association and multiply it by the loan balances expressed as a percentage of Total Investment Funds.

C. Any of the funds not apportioned in steps A and B above are assessed as used to partially support the financing or refinancing of units owned[1] by the housing associations (total units partially supported).

D. We follow the same approach for expenditure on items noted in the infographic below, taking housing association spending on these items and multiplying by the loan balance expressed as a percentage of Total Investment Funds.

Balance of NatWest Group loans (scaled down to bond proceeds) to housing association as a % of Total Investment Funds

✖ each of

Number of new units (#)
Expenditure on new units (£)
Expenditure on maintenance and repairs (£)
Expenditure on capitalised repairs (£)
Expenditure on other social housing activity (£)

=

NatWest Group estimated impact

Estimated impact

The outcomes below relate to the 12-month period ended 31 March 2024.

The allocation value of £1.1 billion as at 31 March 2024 is the basis of the impact calculation. Total Investment Funds reported by the housing associations for the 12-month period ended 31 March 2024 were £13.4 billion. The bond proceeds represent approximately 6.4% of Total Investment Funds.

Following the methodology presented on this page, of the £867 million in bond proceeds, it is estimated that £114 million is attributed to the investment and expenditure items below. This includes £85 million of expenditure to support the development or acquisition of 395 (LA) new units. For the remaining £753 million, it is estimated that these funds have been drawn to partially finance or refinance the estimated 246,000 units owned (units partially supported).

395 (LA)
estimated new housing units developed/ acquired

£85 million
expenditure on new units

£15 million
expenditure on maintenance and repairs

£9 million
expenditure on capitalised repairs

£5 million
expenditure on other social housing activity

246,000
estimated units partially supported

Refer to page 26 for data limitations, assumptions and risks associated with this methodology.

(1) In England, the calculation is based on social units owned by the housing associations. In Scotland, the calculation is based on general needs social housing units, which are both owned and managed by the housing associations.

CASE STUDY

Affordable housing

Supporting comfortable, sustainable affordable housing

Salford-based Salix Homes Ltd, manages a diverse portfolio of more than 8,000 properties across greater Manchester, most of which the housing association owns. Encompassing 20 high-rise blocks, a wide range of medium and low-rise apartment blocks, traditional terraced streets, large housing estates and accommodation for older residents, the business has integrated sustainability into the heart of its 2023 to 2025 corporate strategy.

Having secured approximately £5 million in Government funding through the Social Housing Decarbonisation Fund, the business plan involves investing in comfort and energy efficiency for its customers. Salix's ambition is that all viable properties will have a minimum energy performance certificate of EPC C by 2030.

In support of Salix's growth ambition, in 2024 NatWest Group extended the business' revolving credit facility to £40 million, specifically with the aim of supporting a new 69-unit apartment build with doctors' surgery on ground floor, which will be constructed to the energy efficient Passivhaus Classic standard. The development is set to complete in March 2026.

This commitment to sustainable, affordable housing can be seen in other recent developments. Completed in 2024, Greenhaus, developed with other regional partners, was the largest Passivhaus development built to date in Northwest England. A second scheme, Willohaus, currently under construction, will add a further 100 high-quality, 100% affordable Passivhaus Classic certified homes.

Women-led business allocation summary

The Women-led Business Social Bond (ISIN: XS2596599063) aims to support women's entrepreneurship. The net proceeds are used towards financing or refinancing loans to the following business types identified as women-led:

- Women sole traders.
- Unincorporated partnerships where the majority of partners are women.
- Limited liability partnerships or companies that are small and medium-sized enterprises (SMEs as defined in the Companies Act 2006) and where at least 51% of the ownership belongs to women or 51% of economic distributions are to women.

Gender is based on self-reporting by the customer to Companies House or to NatWest Group. As at 31 December 2024, the pool was fully allocated at £449 million. This compares to a pool balance of £406 million as at 31 December 2023, when the pool was 91% allocated.

Small business support

We aim to offer wraparound support to SMEs, including women-led SMEs, through training, mentorship and networking opportunities. Recognising challenges faced by women entrepreneurs, we aim to provide targeted support through our strategic collaborations like Digital Boost and Buy Women Built and through specialist bankers trained to have an enhanced understanding of barriers faced by women entrepreneurs.(2) More information can be found on page 88 of the NatWest Group 2024 Sustainability Report and on natwestgroup.com.

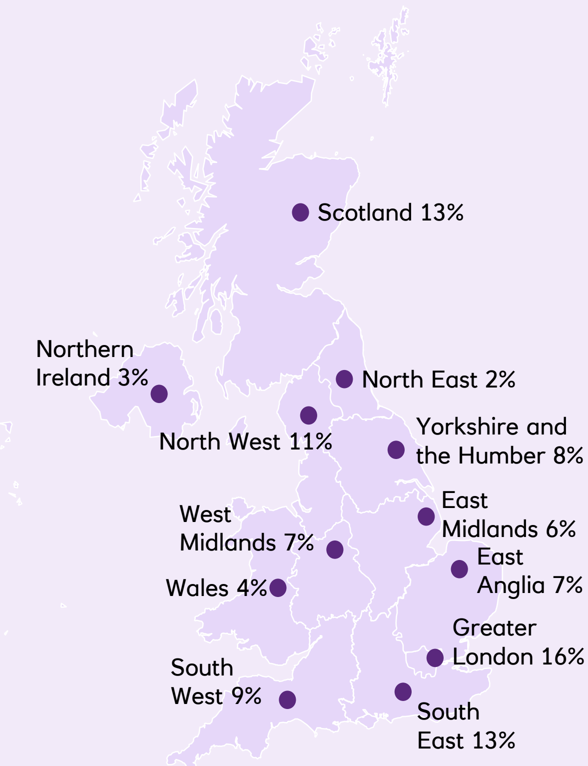
Customer spotlight survey

In our 2023 GSS Allocation and Impact Report, we disclosed the results of a survey conducted to understand how the bond proceeds had supported business owners. We continue to review and evolve our approach to understanding and reporting the bond's estimated impacts.

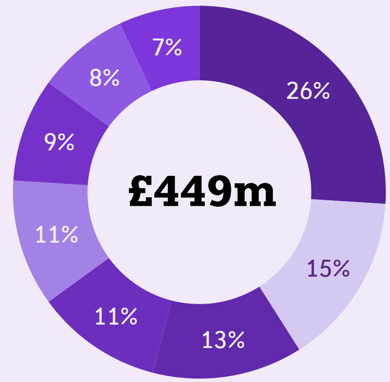
Allocation overview as at 31 December 2024

£449 million
pool balance comprising **13,857** (LA)
loans allocated to women-led businesses

Pool balance by geographic distribution (LA)(2,3)



Pool balance by industry (£m) (LA)(4)



- Health and social work (26%)
- Other industries (15%) (5)
- Real estate (13%)
- Accommodation and food service (11%)
- Other service activities (11%)
- Professional, scientific and technical activities (9%)
- Wholesale and retail (8%)
- Agriculture, forestry and fishing (7%)

(1) Measures were introduced during 2020 by the UK Government to support businesses affected by COVID-19.The Bounce Back Loan Scheme helped small- and medium-sized businesses to borrow between £2,000 and £50,000, guaranteed by the UK Government. As at 31 December 2024, 78% of loans in the asset pool were bounce back loans.
(2) Not all customers who have taken loans that are allocated to the Women-led Business Bond have accessed this support.
(3) Pool balance by geographic distribution presented above is based on the business address registered with NatWest Group.
(4) Industry splits are based on NatWest Group's internal sector mapping.
(5) 'Other industries' at 15% represents distribution of loans to a number of different industry classifications, most notably comprising Construction (3%), Arts, entertainment and recreation (3%), Transportation and storage (3%), Manufacturing (2%), Information and technology (2%), Education (1%) and Financial and insurance activities (1%).

CASE STUDY

Women-led business

Backing success and a winning mentality

In 2020, entrepreneur Helen Hardy identified a gap in the market for branded merchandise tailored towards women's football. Like many small businesses, Helen's new enterprise Women's Football Merchandise, trading under the name Foudys, took shape from her kitchen table.

Having received early business support through the NatWest accelerator network and following two successful angel investment rounds to help scale the business, Helen has forged high profile connections with several global sports brands. Those connections have helped unlock official merchandising opportunities with the Women's Super League in England, the National Women's Soccer League in the US, as well as top European clubs such as FC Barcelona. In addition to selling licenced products, Foudys also provides amateur clubs with an in-house capability to create kits, training gear and merchandise.

In 2024, NatWest Group supported the business with £125,000 in working capital. The funding enabled a large stock purchase of English Women's Super League merchandise ahead of the 2024/25 season and UEFA Women's European Championship in July 2025.

Fuelled by Helen's passion for the future of women's football, the business has grown, now employing seven full time employees, including a core all-female management team.

Data limitations, assumptions and risks: Green bonds(1)

The actual use of proceeds and actual impact of the Green Bonds could differ materially from what is presented in this report. Therefore, the report must not be read as, or assumed to be a report on, the actual use of proceeds of the Green Bonds which it relates to, or a report on the actual impact of the Green Bonds' proceeds. Accordingly, undue reliance should not be placed on the assumed impacts outlined in this report. NatWest Group gives no assurance (i) on the actual or intended direct or indirect use by the customers of all or some of the use of proceeds of the Green Bonds or any loans that the Green Bonds finance or refinance; and (ii) on the impact of any loans financed or refinanced with the proceeds from the issue of the Green Bonds.

Renewable energy

- To estimate the impact of renewable energy bonds, it is assumed that estimated energy generated by the renewable energy projects would have been generated through other means, for example fossil-fuel generators, in line with the average composition of power generation facilities within the UK energy generation network.
- Only the estimated energy generation apportioned to the NatWest Group share of any syndicated facility is included. For the purpose of this estimation, we only consider the debt financing of projects in operation.
- The calculation of project share apportioned to NatWest Group reflects the project debt and facility amounts as at 31 December 2024 and considers projects to be wholly debt-funded.

Green buildings

- Emissions intensity estimates are published one year in arrears to allow time for appropriate data sourcing and review. Therefore, the physical emissions intensities outlined above are based on 2023 data and applied to the bond portfolio allocation as at 31 December 2024.
- The underlying calculations for physical emissions intensities are subject to significant uncertainties, assumptions, judgements and data limitations as disclosed on page 43 of the NatWest Group 2024 Sustainability Report.
- We assume that the physical emissions intensity for NatWest Group's total residential mortgages portfolio is representative of all properties in the United Kingdom and can be used as a proxy for the UK benchmark of physical emissions intensity as recommended in the ICMA guidance[2].
- Actual energy performance data for the properties within the Retail Banking Green Mortgage portfolio is largely unavailable. We therefore use EPC ratings as a proxy for the actual energy efficiency of the mortgaged properties. EPC data is sourced from the Energy Performance of Buildings for England and Wales published by the Ministry of Housing, Communities and Local Government's open data source. For mortgages on properties in Scotland we are sourcing EPC data from the Publicly Available Data Extracts site of the Energy Saving Trust, published by the Scottish Government.
- Estimated carbon emissions avoided resulting from Green Mortgages within the green buildings portfolio relate to residential properties with an existing EPC rating of A or B and does not include lending provided with the intended purpose of enhancing the existing EPC rating of a property.
- The calculation of emissions avoided for green buildings uses NatWest Group financed emissions model outputs. For further detail on the methodology, assumptions and limitations of carbon emissions calculated using EPC ratings, refer to page 43 of the NatWest Group 2024 Sustainability Report and page 12 and 13 of the NatWest Group 2024 Sustainability Basis of Reporting.

Clean transportation

- For this bond, we performed the estimated emissions avoided assessment on an individual vehicle basis as this is expected to reflect emissions associated with vehicles financed.
- As a result, we used CO_2 tailpipe emissions to estimate emissions avoided through the proceeds of the bond. Due to challenges in the availability and quality of data related to the wider CO_2 equivalent GHG emissions and whole life cycle/well-to-wheel emissions can be difficult to obtain, validate and standardise at an individual Vehicle Identification Number (VIN) basis.
- EU Directive 1999/94/EC only requires that CO_2 emissions data be made freely available at an individual vehicle basis. Current data constraints limit our ability to determine CO_2 equivalent (CO_2e) emissions on an individual vehicle basis.
- In addition, limitations in production, supply chain, and end-of-life data at a vehicle level restricts our ability to fully assess life cycle emissions at this time.
- The estimated emissions avoided for this bond are calculated at an asset level and are based on PCAF's activity-based methodology. This is deemed appropriate at this time as NatWest Group provide funding for vehicles across a wide-range of sectors with differing characteristics and PCAF requirements. Due to differing methodologies, the estimated emissions avoided disclosed in this report should not be attributed to a specific sector in NatWest Group's existing sector level financed emissions modelled outputs, prepared on a CO_2e basis and disclosed as part of the NatWest Group 2024 Sustainability Report.
- We continue to review estimation methodologies and the availability of appropriate data for inclusion in future financed emissions and green bond reporting.

(1) This page must be read together with the cautionary note on pages 27 and 28, with special regard to sections on (i) Caution about the limited availability of adequate data; (ii) Caution about data quality; (iii) Caution about metrics and methodologies and other data subject to significant measurement uncertainty; and (iv) Caution about the assumed impact of Green Bonds and Social Bonds presented in this report.'
(2) Green Bonds – Working Towards a Harmonized Framework for Impact Reporting – December 2015.

Data limitations, assumptions and risks: Social bonds(1)

The loans financed or refinanced by the proceeds of the Social Bonds were provided for general corporate purposes and are not provided to fund a specific project but can be used to fund any activity that an SME may engage in. The actual use of proceeds or impact of the Social Bonds could differ materially from what is presented in this report. Therefore, the report must not be read as, or assumed to be a report on, the actual use of proceeds of the Social Bonds which it relates to, or a report on the actual impact of the Social Bonds' proceeds. Accordingly, undue reliance should not be placed on the assumed impacts outlined in this report. NatWest Group gives no assurance (i) on the actual or intended direct or indirect use by the customers of all or some of the use of proceeds of the Social Bonds or any loans that the Social Bonds finance or refinance; and (ii) on the impact of any loans financed or refinanced with the proceeds from the issue of the Social Bonds.

Employment generation

- The impact methodology assumes that the general corporate purpose loans financed or refinanced by the proceeds of the Employment Generation Social Bond allow the SMEs to make investments which lead to higher activity and higher levels of employment. Only term loans were included in the asset pool. We assumed that the funds are intended for investment purposes and therefore assist in creating or enabling new jobs. This report provides only an estimate of the impact of the Employment Generation Social Bond's proceeds based on the metrics and data set out on page 19 of this report, which in turn rely on several assumptions, expectations and estimates.
- The employment generation impact is subject to a point-in-time view of the pool composition. There is no time-weighting to account for the length of time the loan was included in the asset pool.
- The ONS data used is published with time lags. The longest lag is for the industry-specific employment effects for which the most recent publication is for the year 2022. For consistency, the other data used relates to the same time period. Using data with these time lags means that the estimated impact noted on page 19 may not reflect all economic (or other) conditions present at 15 November 2024 (the reporting date). The time lag may materially influence the estimated impact.
- Industry splits presented on page 19 are consistent with UK Standard Industrial Classification (SIC) 2007.

Affordable housing

- This report provides only an estimate of the assumed impact of the Affordable Housing Social Bond's proceeds based on housing association data and the metrics and data set out on page 21 of this report, which in turn rely on several assumptions, expectations and estimates.
- Loans to housing associations, which are financed or refinanced by the proceeds of the Affordable Housing Social Bonds, are provided for general corporate purposes (i.e. not provided to fund a specific project but can be used to fund any activity that a housing association may engage in or any expenditure that a housing association may incur).
- The impact calculation assumes that the lending provided by NatWest Group to the housing associations has been dispersed by the respective housing association in proportion to its Total Investment Funds and has also been dispersed in the same proportion to their own reported investment and expenditure allocation with any remaining funds used to finance or refinance the housing stock.
- There is a possibility that the funds provided by NatWest Group to the housing associations have been dispersed in a different manner or for another purpose not disclosed in this report. Or, as the housing associations may have more than one lender providing loan facilities, the assumed impact outlined below may have been facilitated by more than one lender.

(1) This page must be read together with the Cautionary note on pages 27 and 28, with special regard to sections on (i) Caution about the limited availability of adequate data; (ii) Caution about data quality; (iii) Caution about metrics and methodologies and other data subject to significant measurement uncertainty; and (iv) Caution about the assumed impact of Green Bonds and Social Bonds presented in this report.

Cautionary note

This report:

- has been prepared by NatWest Group plc (together with its subsidiaries the 'NatWest Group') for information and reference purposes only;
- is intended to provide non-exhaustive, indicative and general information only;
- does not purport to be comprehensive;
- does not provide any form of legal, tax, investment, accounting, financial or other advice; and
- must be read together with (i) the risk factor on 'Notes issued with a specific use of proceeds, such as Green, Social or Sustainability Bonds may not meet investor expectations or requirements' included in the respective NatWest Group plc £40,000,000,000 Euro Medium Term Note Programme (the 'EMTN Programme') under which the Green Bonds and Social Bonds that this report relates to were issued; (ii) the risk factors included on pages 408-426 of the NatWest Group's 2024 Annual Report and Accounts, (with special regard to the risk factors in relation to climate and sustainability-related risks that describe several particular uncertainties, climate and sustainability-related risks to which NatWest Group is exposed and which may be amended from time to time); and (iii) page 93-95 of the NatWest Group 2024 Sustainability Report ('Caution about climate metrics and data required for climate reporting').

Caution about the limited availability of adequate data. In general, there is limited availability of adequate data required for the purposes of this report (particularly data relating to certain industries, industry sub-sectors and geographic sectors) and access to such data on a timely and verifiable basis. In the absence of adequate data publicly available or available directly from an individual counterparty, financial institutions necessarily rely on aggregated information based on high-level sector data developed by third parties that may be prepared in an inconsistent way using different methodologies, interpretations, or assumptions and therefore such data may not be accurate. The absence of widely available adequate data, and sub-sector-related information makes it challenging to accurately disclose or estimate the relevant metrics used for the purposes of this report. The availability of adequate data and industrial classification depends on a variety of public, private and civic sector sources. However, the challenge is finding the relevant sources if they exist, and then validating, cleaning, and standardising the data in an accessible form or format. Significant gaps in sectors, sub-sectors and across asset classes are impeding not only risk management, but also the development of mitigation and adaptation strategies, as well as aspects of operations and credit risk and investment analysis that depend on data-informed processes.

Caution about data quality. In general, the quality of the data relied upon for the purposes presented in this report is not of the same standard as more traditional financial reporting as the data relied upon in this report is derived from management systems that (a) are not necessarily part of the internal controls and procedures over financial reporting used for the preparation of IFRS financial reports and that may be subject to assurance procedures; (b) are generally considerably less sophisticated than the systems and controls for financial reporting and also include manual processes. This may result in the information presented in this report being less comparable, verifiable, timely, understandable and useful for the purposes of decision-making than information in our financial reports. Further to it, financial, statistical and other information and data published by third parties and included in this report have not been independently verified by NatWest Group.

Caution about metrics and methodologies and other data subject to significant measurement uncertainty. The information in this report includes nonfinancial metrics, estimates or other information that are subject to significant estimation and measurement uncertainties, which may include the methodology, collection and verification of data, various judgements, estimates and assumptions. The preparation of some of the information in this report as well as reporting on the indicated/estimated/assumed impacts resulting from the allocation of bond proceeds towards eligible assets require the application of a number of key judgements, assumptions and estimates. The reported indicated/estimated/assumed impacts, outputs or outcomes in this report reflect good faith estimates, assumptions and judgements at the given point in time. There is a risk that these estimates, assumptions and judgements, may subsequently prove to be incorrect and/or may need to be restated or changed.

Caution about the lack of definitions or standards. There are an increasing number of initiatives focused on developing standardised definitions and criteria for 'green', 'social' and 'sustainable' assets and liabilities, and labelling of 'green', 'social' and 'sustainable' financial products and services. To date, there is currently no single globally recognised or accepted, consistent and comparable set of definitions or standards (legal, regulatory or otherwise) of, nor widespread cross-market consensus:

(i) as to what constitutes, a 'green', 'social' or 'sustainable' or similarly-labelled activity, product or asset; or

(ii) as to what precise attributes are required for a particular activity, product or asset to be defined as 'green', 'social' or 'sustainable' or similarly-labelled activity, product or asset.

Therefore, users of this report must not assume that NatWest Group's reporting or description of activities, products or assets will meet their present or future expectations or requirements for describing or classifying funding and financing activities as 'green', 'social', or 'sustainable' or attributing similar labels (unless a definition or standard is specified in this report). We expect policies, regulatory requirements, standards, and definitions to be developed and continuously evolve over time.

Caution about allocation and deployment of net proceeds. There can be no assurance or representation that the use of an amount equal to the net proceeds of any Green or Social Bond will be totally or partially allocated for the financing and/or refinancing of an eligible asset (as defined in the NatWest Group GSS Financing Framework). There can also be no assurance or representation that the allocation of amounts to Eligible Assets will have the result or outcome (whether or not related to environmental, social or other objectives) as originally expected or anticipated by NatWest Group, as the issuer of such bonds. Factors that could cause or contribute to differences in current expectations and the actual allocation or deployment of the net proceeds of offerings of Green Bonds and Social Bonds, their assumed and actual impact and NatWest Group's reporting on such matters are summarised in the risk factors included on pages 408-426 of the NatWest Group's 2024 Annual Report and Accounts, (with special regard to the risk factors in relation to climate and sustainability-related risks that describe several particular uncertainties, climate and sustainability-related risks to which NatWest Group is exposed and which may be amended from time to time), as well as the Base Prospectus and its supplements for the EMTN Programme.

Caution about the assumed impact of Green Bonds and Social Bonds presented in this report. The assumed impact sections of this report and the presentations described therein are only informed by Harmonized Framework for Impact Reporting (the 'Harmonized Framework') as set out by the International Capital Markets Association (ICMA) and they do not intend to be fully consistent with the guidance of the Harmonized Framework.

Caution about case studies. The case studies included in this report are intended for illustrative purposes only. They are provided to demonstrate potential outcomes and should not be construed as definitive evidence. The content and reliability of these case studies are not the responsibility of NatWest Group and we make no representations or warranties regarding their accuracy. The opinions, conclusions and views expressed in these case studies are solely those of the individuals or companies who provided them and do not necessarily reflect the views or policies of NatWest Group. Readers are advised to exercise caution and to assess the relevance and applicability of these case studies and seek independent verification when relying on the case studies included in this report.

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

Caution about references to websites. This report may contain references to websites, reports and other materials prepared by third parties that are not affiliated with NatWest Group. Reference to such websites, reports and other materials is made for information purposes only and information available on such websites, in such reports and other materials is not incorporated by reference into this report. Readers are advised to exercise caution and conduct their own due diligence when relying on information from these third-party sources. To the extent permitted by law, NatWest Group makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to the fairness, accuracy, reliability, reasonableness, correctness or completeness with respect to any such websites, reports and materials.

No duty to update. This report, any information contained or otherwise accessible through the websites mentioned in this report are historical and only speak as of their respective date. NatWest Group is under no obligation to update these materials, absent a legal duty to do so. Further to it, NatWest Group does not assume or undertake any obligation or responsibility to update any of the statements contained in this report, whether as a result of new information, future events or otherwise, except to the extent legally required.

No offer of securities or investments. The information, statements and opinions contained in this report do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. This report, the information, statements and disclosure included in this report are not formally part of any offering documents and are not contractually binding.

This report is not intended (i) to form part of any communication of any offering issued under this report and it is not intended to be an advertisement for the purposes of the UK Prospectus Regulation and investors should not make any investment decisions based on the information included in this report; or (ii) to be a communication in relation to any particular product or service for the purposes of Section ESG 4.3.1 of the Financial Conduct Authority Environmental, Social and Governance sourcebook.

Assurance report

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Independent Assurance Report to the Directors of NatWest Group plc on certain metrics within the Green, Social and Sustainability Bonds Allocation and Impact Report for the year-ended 31 December 2024.

EY was engaged by NatWest Group plc (the 'Company') to perform an assurance engagement in accordance with International Standard on Assurance Engagements (UK) 3000 July 2020, in respect of certain metrics, noted below, presented in the Green, Social and Sustainability Bonds Allocation and Impact Report (referred to as the 'GSS Report').

The subject matter is marked up with an LA within the GSS Report. Other than as described in the table below, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the GSS Report, and accordingly, we do not express an opinion or conclusion on this information.

Specific metrics ('the Subject Matter') subject to limited assurance

Subject Matter Information subject to limited assurance			Criteria within the GSS Report
Green Bonds proceeds used to finance and/or refinance renewable energy projects	1a	Estimated Carbon Emissions avoided through renewable energy generation ($KtCO_2e$) for the year ended 31 December 2024	GSS Report Page 10-12
	1b	Renewable Energy generated for the year ended 31 December 2024 through the proceeds of the bonds (GWh)	
	1c	Value of allocation of the proceeds of Green Bonds (£m) as at 31 December 2024	
Green Bonds proceeds used to finance and/or refinance green mortgages	2a	EPC rating (A & B) of Green Mortgage properties within the Green Bonds portfolio as at 31 December 2024	GSS Report Page 13-14
	2b	Total Floor area of Green Mortgage properties within the Green Bonds portfolio as at 31 December 2024 (m^2)	
	2c	Value of allocation of the proceeds of Green Bonds (£m) as atf 31 December 2024	
Green Bonds proceeds used to finance and/or refinance clean transportation (electric vehicles).	3a	Estimated Carbon Emissions avoided ($KtCO_2$) for the year ended 31 December 2024;	GSS Report Page 15-16
	3b	Value of allocation of the proceeds of Green Bonds (£m) as atf 31 December 2024	
	3c	Proceeds allocated by vehicle type as at 31 December 2024.	
Social Bond proceeds used to finance or refinance general corporate purpose loans to UK Small and medium-sized enterprises ("SMEs") located in the 30% most economically deprived Local Authority Units (LAU)	4a	Value of allocation of the proceeds of Social Bond (£m) as at 15 November 2024	GSS Report Page 18-19
Social Bond proceeds used to finance and/or refinance loans to not-for-profit registered housing associations in the UK	5a	Value of allocation of the proceeds of Social Bonds (£m) as at 31 December 2024	GSS Report Page 20-22
	5b	Number of housing associations supported through the proceeds of the Social Bond as at 31 December 2024	
	5c	Estimated new housing units developed/acquired through the proceeds of the Social Bond as at 31 December 2024 (ISIN XS2307853098)	
Social Bond proceeds used to finance and/or refinance loans to women-led businesses (sole traders, unincorporated partnerships, limited liability partnerships or SMEs)	6a	Number of loans to women-led businesses as at 31 December 2024	GSS Report Page 23-24
	6b	Regional split of loans to women-led businesses as at 31 December 2024	
	6c	Industry split of loans to women-led businesses as at 31 December 2024	

This report is produced in accordance with the terms of our engagement letter dated 14 April 2025 for the purpose of reporting to directors of NatWest Group plc in connection with the Subject Matter prepared by the Company and presented in the GSS Report and whether anything has come to our attention that causes us to believe that the Subject Matter is not fairly stated, in all material respects, based on the Company's Green, Social and Sustainability Financing Framework and the methodology as described within that framework and within the GSS Report (together the 'Criteria').The Group's Green, Social and Sustainability Financing Framework (the 'Framework') was published on 5 December 2022 and is available in the 'Investor' section on natwestgroup.com under 'Fixed Income Investor' 'Green, Social and Sustainability Bonds'

This report is made solely to the Company's Directors, as a body, in accordance with our engagement letter dated 14 April 2025. Those terms permit disclosure on NatWest Group's website, solely for the purpose of NatWest Group showing that it has obtained an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Directors as a body, for our examination, for this report, or for the opinions we have formed.

Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Company.

Responsibilities of the Company

As Directors of the Company you are responsible for the selecting the Criteria, and for presenting the Subject Matter, identified above, in accordance with that Criteria, in all material respects. The Directors of the Company remain solely responsible for presenting the Subject Matter in accordance with the Criteria.

Responsibilities of Ernst & Young LLP

It is our responsibility to provide a conclusion on the Subject Matter based on our examination. The Criteria has been used as the basis on which to evaluate the measurement and presentation of the Subject Matter.

Our approach

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020) *Assurance engagements other than audits or reviews of historical financial information* ("ISAE (UK) 3000 (July 2020)") as promulgated by the Financial Reporting Council (FRC).

In performing this engagement, we have applied International Standard on Quality Management (ISQM) 1 and the independence and other ethical requirements of the Institute of Chartered Accountants of England and Wales (ICAEW) Code of Ethics (which includes the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA)).

We have performed the procedures agreed with you and set out in our engagement letter dated 14 April 2025.

- Interviewed management and relevant staff to gain an understanding of how the Criteria is applied, including the eligibility, evaluation, selection process and management of proceeds. We also inquired how relevant information and data is gathered in order to measure and report the Subject Matter;
- Obtained the underlying calculations of the Subject Matter, to check whether the measurement is aligned to the Criteria. On a sample basis, we obtained relevant documentation to verify key input data and reperformed the calculation of the Subject Matter;
- For a sample of loans, inspected documentation to check whether the eligibility criteria followed was in accordance with the Criteria;
- Obtained management's documentation of the processes and governance over the Subject Matter, including meeting minutes of relevant governance committees to identify any matters that may impact the reporting of the Subject Matter;

Assurance report

- Performed analytical review procedures to understand the movements between periods and followed up with management to understand and obtain explanations in respect of any outliers or anomalies.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Subject Matter within the GSS report. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Our examination excludes audit procedures such as verification of all assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the information.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not fairly stated, in all material respects, based on the applicable Criteria.

Ernst & Young LLP
London, United Kingdom
1 May 2025

NatWest Group plc

2024 Green, Social and Sustainability Bonds Allocation and Impact Report

May 2025

NatWest Group