

Independent assurance report in respect of certain sustainability metrics to the Directors of NatWest Group plc for the year ended 31 December 2021

Scope

EY was engaged by NatWest Group plc ('the Group') to perform an assurance engagement, as defined by International Standards on Assurance Engagements, in respect of certain sustainability metrics (the 'Subject Matter Information') presented in the Group's 2021 Strategic Report, the 2021 Environmental, Social and Governance ('ESG') Supplement, and the 2021 Climate Related Disclosure Report (collectively referred to as 'the Reports'). Specifically, EY was engaged to provide:

- reasonable assurance over the Subject Matter Information identified in Table A below; and
- limited assurance over the Subject Matter Information identified in Table B below.

These sustainability metrics are marked with an (*) within these Reports.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Reports, and accordingly, we do not express an opinion on this information.

Table A: Subject Matter Information subject to reasonable assurance

Climate	Operational footprint: Scope 1 and 2 CO2 equivalent (CO2e) emissions
Colleague	Proportion of black, Asian, and ethnic minority in top four leadership layers in the UK
	Gender balance in top three senior layers

Table B: Subject Matter Information subject to limited assurance

Climate	Operational footprint: Scope 3 CO2 equivalent (CO2e) emissions
	Climate and sustainable funding and financing
	Heightened climate-related risk sectors
	Harmful activities: Oil and Gas majors & Coal total exposure
	Percentage of UK customers' homes that are at or above EPC rating C
	Retail Banking Green Mortgage product completion value
Enterprise	Flood risk profile of Retail Banking residential mortgage portfolio
	Qualitative statement of progress on jobs created by businesses participating in the Entrepreneur Accelerator Programme
	Qualitative statement of progress on incremental new businesses created through enterprise programmes
Learning	Financial capability interactions
	Customers helped to start saving
Customer	Value of attempted fraud against our customers prevented in the UK
	Number of First Time Buyer (FTB) mortgage customers supported
	Number of digitally active (online, mobile and total) customers
	Proportion of customers exclusively using digital channels
	Number of video banking interactions
	Number of artificial intelligence (CORA) interactions
Responsible Business	Proportion of artificial intelligence (CORA) interactions that required no human input
	Direct community investment (DCI) spend

Criteria applied by the Group

The Subject Matter Information needs to be read and understood together with the reporting criteria. The Group is solely responsible for selecting and applying these reporting criteria.

The Subject Matter Information and other sustainability information in the Reports were prepared by the Group. The definitions and methods used to prepare the subject matter are defined in the '2021 ESG Basis of Reporting' document published on 17 February 2022 and available in the 'Investor' section on natwestgroup.com under 'ESG'. The '2021 ESG Basis of Reporting' has been used as the criteria against which to evaluate the 'Subject Matter Information' defined above. Such criteria were specifically designed for the preparation of the Reports. As a result, the Subject Matter Information may not be suitable for another purpose.

Respective responsibilities

The Group's responsibilities

The Directors are responsible for selecting the criteria, and for presenting the Subject Matter Information in accordance with that criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter Information, based on the evidence we have obtained, in accordance with the scope defined in Tables A and B above, indicated with an (*) in the Reports.

Our approach

We conducted our engagement 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)') as promulgated by the Financial Reporting Council (FRC).

Those standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether, in all material respects, the Subject Matter is presented in accordance with the criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Our Independence and Quality Control

In performing this engagement, we have applied International Standard on Quality Control (ISQC) 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)).

Description of procedures performed

In reaching reasonable assurance opinion in respect of the Subject Matter Information in table A, our objective was to perform such procedures, on a sample basis, as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive opinion.

In reaching limited assurance opinion in respect of the Subject Matter Information in table B, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a negative opinion.

Procedures performed in reaching limited assurance opinion vary in nature and timing from, and are less in extent than for a reasonable assurance opinion. Consequently, the level of assurance obtained in reaching a limited assurance opinion is substantially lower than the assurance obtained in reaching our reasonable assurance opinion.

The procedures we performed were based on our professional judgement and included, but were not limited to:

- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Reports. This includes the reasonableness of estimates made by management

- Obtaining an understanding of the systems and processes for collecting, reporting and consolidating the selected information, including obtaining an understanding of internal control relevant to the engagement, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- Performing an analytical review of the data and trends to identify areas of the Subject Matter with a higher risk of misleading or unbalanced information or material misstatements, and obtaining an understanding of any explanations provided for significant variances
- Designing and performing further procedures responsive to those risks and obtaining evidence that is sufficient and appropriate to provide a basis for our opinion
- Interviewing management and relevant staff responsible for providing the information for carrying out internal control procedures on, and consolidating the data in the Reports
- Evaluating the consistency of the Subject Matter Information presented in the Reports
- For the reasonable assurance of metrics defined in Table A, key items and representative samples based on statistical sampling methodology were selected and agreed to source information to check accuracy and completeness of the data

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

Our conclusions are 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 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.

Our conclusions

- Reasonable assurance: In our opinion, the Subject Matter Information identified in Table A above for the year ended 31 December 2021 is fairly stated, in all material respects, in accordance with the criteria, which were applied by management.
- Limited assurance: Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information identified in Table B above for the year ended 31 December 2021 was not fairly stated, in all material respects, in accordance with the criteria, which were applied by management.

Restricted use

This report is produced in accordance with the terms of our engagement letter dated 7 December 2021 for the purpose of reporting to the Directors of The Group in connection with the Subject Matter Information for the year ended 31 December 2021.

We have not considered the interest of any other party in the subject matter. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our work, for this assurance 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.