



NatWest
Group

2022 Statement **on Modern Slavery** **and Human Trafficking**

Championing potential

A relationship bank for a digital world



Strengthening our activity to tackle human trafficking

At NatWest Group we understand both the devastating impact of modern slavery and the importance of actively working to eliminate it in all its forms. The following statement, for the year ended 2022, outlines the progress we have made as well as the additional activity we will put in place in 2023 to do more. We are committed to working with stakeholders to make further improvements and help people, families and businesses to thrive.

Despite ongoing efforts across the globe, slavery is not going away. According to the International Labour Organization's (ILO) report on Global Estimates of Modern Slavery, on any given day there are over 27 million people in situations of forced labour. This is the equivalent of 3.5 people for every thousand people in the world. Women and girls make up 11.8 million of this total and more than 3.3 million of all those in forced labour are children⁽¹⁾.

Figures show there was a 2.7 million increase in the number of people in forced labour between 2016 and 2021⁽¹⁾. These figures underline the continuing importance NatWest Group places on addressing the issue of modern slavery. By standing strong and together, we can help provide the support and security our customers, colleagues, economy and society need.

As a purpose-led financial institution with 19 million customers, NatWest Group believes in operating in

an ethical manner that actively promotes diversity, equity and inclusion, supports customers when they are at their most vulnerable and has a positive role within communities. We know that, as a large financial services institution, we have an important role to play in both identifying and tackling modern slavery. NatWest Group recognises its obligation to comply with all appropriate legislation, including the UK Modern Slavery Act. In 2022, we continued our work to align our approach to internationally recognised human rights standards including the United Nations Guiding Principles on Business and Human Rights (UNGPs), but we know that there is more that we could be doing.

Our aim is to seek to review and address human rights risks, including modern slavery risks, across our value chain. Our approach to modern slavery and human trafficking is evolving to keep pace with the changing external environment. In 2022, we focused our activity

around reviewing and updating our policies and processes, monitoring our supply chain for risks of modern slavery, strengthening our approach to human trafficking as a financial crime, training and raising awareness of **modern slavery** with colleagues across NatWest Group and engaging with stakeholders.

We welcome feedback from all stakeholders on both our approach and our Modern Slavery and Human Trafficking Statement. If you would like to get in touch, please contact the **Sustainable Banking Team**.

James Holian
Managing Director, Business Banking & International Retail
Chair, NatWest Group Human Rights Action Group

21 June 2023

(1) ILO Convention's Global Estimates of Modern Slavery: Forced Labour and Forced Marriage (https://www.ilo.org/global/topics/forced-labour/publications/WCMS_854733/lang--en/index.htm).



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1 Context

This is our seventh Modern Slavery and Human Trafficking Statement. It is made in accordance with section 54 of the UK’s Modern Slavery Act 2015 (the MSA). This statement applies to NatWest Group plc and its subsidiaries that are subject to the provisions of the MSA. A list of those subsidiaries is provided in the appendix.

For the purposes of the statement, our definition of modern slavery encompasses slavery, servitude and forced or compulsory labour, human trafficking, sexual exploitation and child labour in accordance with Article 12 of Section 54 of the MSA. This statement covers the financial year ended 31 December 2022.



2 Executive summary

In 2022, we focused our activity around the following areas:

1. Reviewing and updating our policies and processes:

- We reviewed and updated our [Human Rights Position Statement](#) reflecting our approach to align to internationally recognised principles including the UNGPs.
- We reviewed and updated our [Supplier Charter](#) which outlines our commitments and expectations of suppliers in relation to human rights including modern slavery.
- We conducted an [Environmental, Social and Ethical \(ESE\)](#) sector review on the adult entertainment sector as part of the standard review cycle, which was published in April 2023.
- We launched [our refreshed values](#) of being inclusive, curious, robust, sustainable and ambitious following in-depth engagement with colleagues, customers, community stakeholders and suppliers. These values now form an integral part of our cultural identity.
- We included ‘involvement in the facilitation of slavery’ in the [Speak Up](#) policy as an example of what can be reported through the Speak Up service. We also added this to the content of the Group Policy Learning module, which all colleagues have to complete annually.
- We reviewed the effectiveness of the [Speak Up](#) framework through analysis of colleague opinion surveys and feedback from reporters.

2. Assessing our supply chain for risks of modern slavery:

- We made significant progress in our second year of working with EcoVadis to better understand and measure both our performance and the performance of our suppliers on key sustainability metrics, including the policies and processes in place to identify and tackle modern slavery. At present, 533 of our suppliers have completed an EcoVadis assessment and received a rating.
- We held an awareness-raising training webinar for supply chain managers (13th January 2022) with STOP THE TRAFFIK to provide a better understanding of modern slavery, how to spot the signs and report any suspicions or concerns.
- We continued to pay our suppliers promptly for the services they provide to us. Our standard payment terms are 30 days; however, we have continued to maintain immediate payment on goods and services on receipt, which supports our suppliers during the cost of living crisis. This goes beyond our commitment undertaken as a signatory to the Government’s Prompt Payment Code, which requires payment to be made in 60 days.

3. Strengthening our activity to tackle human trafficking as a financial crime:

- We continued our efforts to combat financial crime and the misuse of our products and services by criminals, taking a proactive approach to financial crime risk.
- We continued to investigate financial crime and disseminate intelligence to relevant areas of the bank and externally to enable the better detection and disruption of financial crime.
- We continued to raise awareness of modern slavery and human trafficking across the bank to enable employees to identify and raise concerns around modern slavery.
- Our Threat Mitigation Unit (TMU) continued its work with data and analytics colleagues and external stakeholders to enhance our ability to detect activity indicative of modern slavery and human trafficking through proactive detection.

4. Training and raising awareness of modern slavery with colleagues across NatWest Group:

- We held a group-wide webinar with charitable organisation [STOP THE TRAFFIK](#) which highlighted the realities of modern slavery, the impact on victims, and examined the role that the financial services sector can play in tackling the issue.
- We worked with Unseen to review and update our group-wide e-learning module. The module highlights red flag indicators that colleagues can use to recognise possible signs of modern slavery and provides information on how to report any concerns.

5. Engaging with stakeholders

- We continued our engagement with stakeholders including [Unseen](#), STOP THE TRAFFIK and TRIBE Freedom Foundation in 2022, which helped us to grow our understanding of modern slavery and changes in the external environment in order to make progress towards the delivery of Sustainable Development Goal 8.7⁽¹⁾.
- We continued our membership of The Thun Group, the UN Global Compact’s Modern Slavery Working Group and Joint Money Laundering Intelligence Taskforce (JMLIT).

(1) The Sustainable Development Goals (SDGs) are a collection of 17 non-legally binding interlinked global goals set forth by the UN for countries and governments. These are included only as indicative guidance for the proposed aim of each area of focus and NatWest Group makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to whether the areas of focus further the objective or achieve the purpose of the indicated SDG. Sustainable Development Goal 8 Target 7 is to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.



3

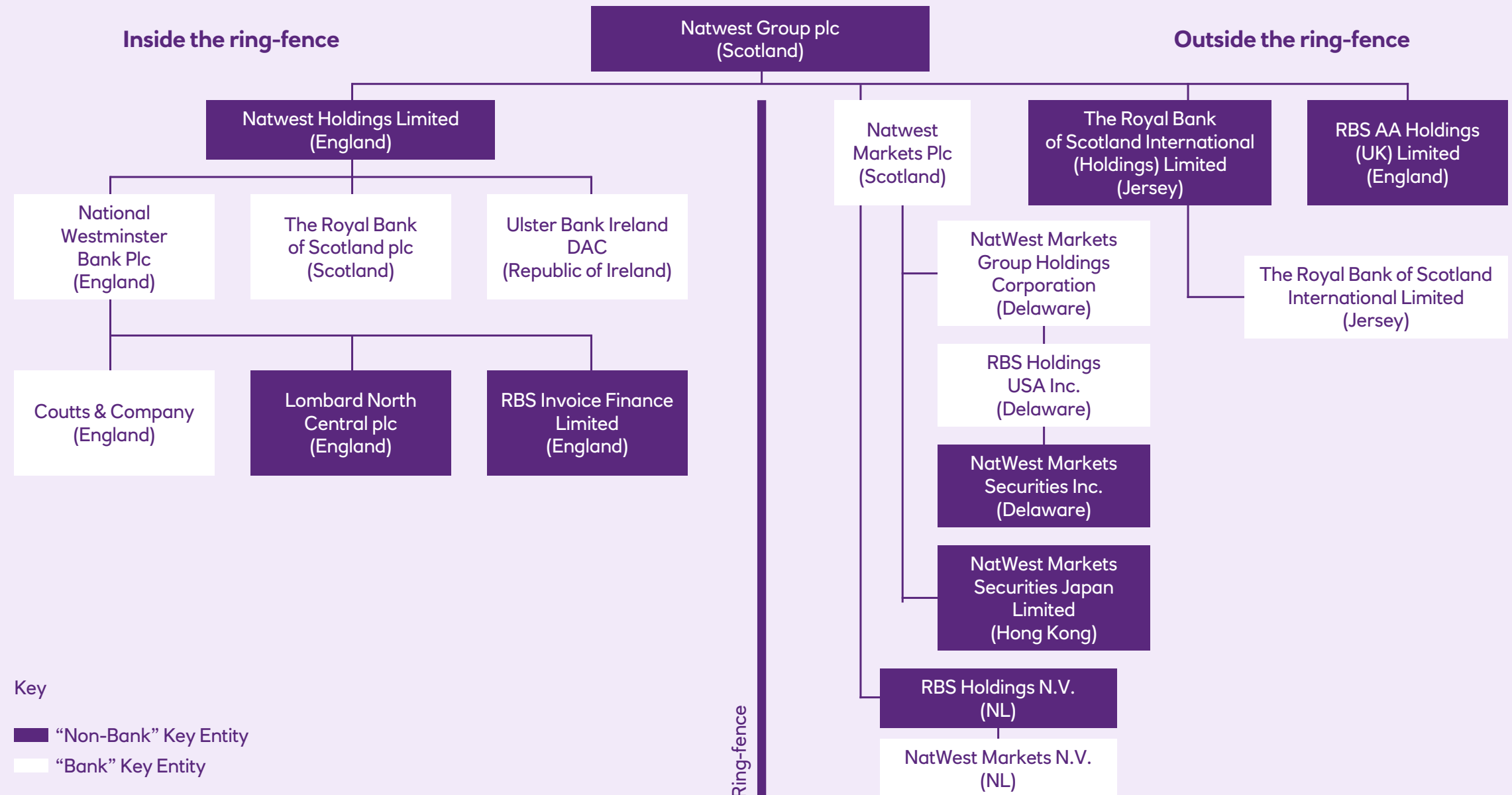
Organisation structure, business and supply chain

About NatWest Group

Our parent company is NatWest Group plc (NatWest Group), which is registered in Edinburgh, but we have subsidiaries in various jurisdictions.

We operate through a variety of brands which offer personal and business banking, private banking, investment banking and corporate finance. Our main subsidiary companies are National Westminster Bank, Royal Bank of Scotland, NatWest Markets, Coutts & Company and Royal Bank of Scotland International. Further details on all of our subsidiaries and the countries in which they are incorporated can be found in our [Annual Report and Accounts](#).

Our company legal structure⁽¹⁾



Key

■ "Non-Bank" Key Entity

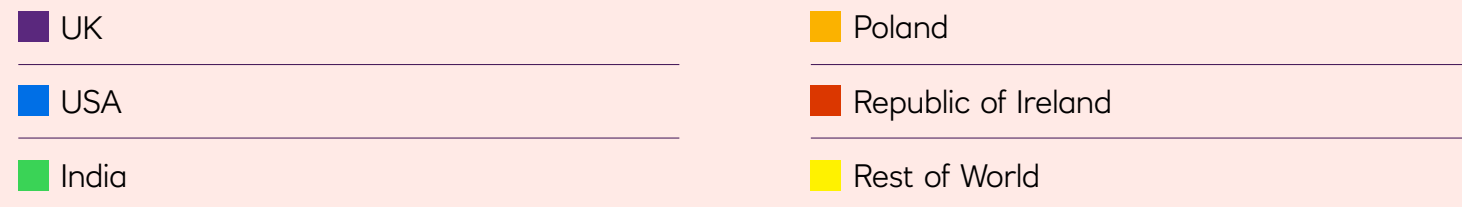
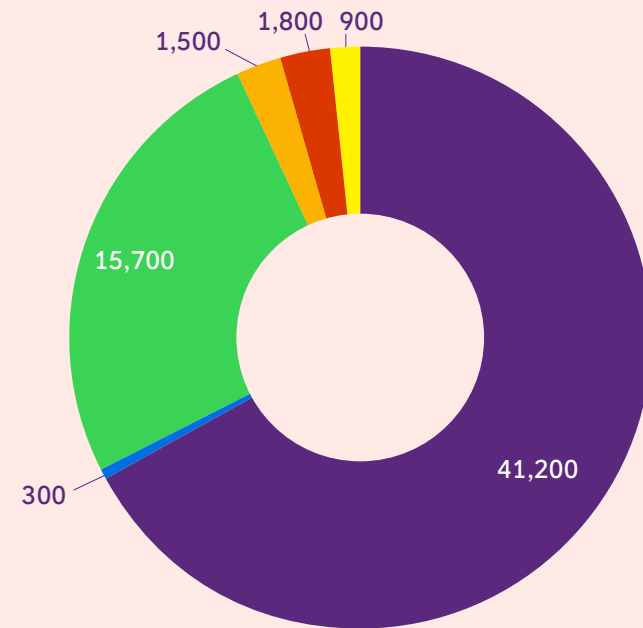
□ "Bank" Key Entity

(1) Structural hierarchy has been simplified to assist understanding.



Organisation structure, business and supply chain continued

2022 Permanent employee locations



Our colleagues

At the end of 2022, we employed 61,400⁽¹⁾ permanent employees globally. In addition, the average number of temporary colleagues employed during 2022 was 2,500⁽²⁾.

Regarding the recruitment of temporary workers, we only use a small number of pre-approved recruitment agencies. All agencies are contractually required to complete pre-employment screening (PES) on their workers in line with NatWest Group requirements.

The NatWest Group PES policy seeks to limit the risk of forced and compulsory labour in our workforce by ensuring that all newly hired employees, non-employees (contingent workers) and third-party supplier workers complete background vetting checks before they can join us. These include (without limitation and to the extent legally permissible) identity, right to work, activity, address, credit, criminal, education and fraud checks.

PES enables us to verify the candidate is who they say they are, check their conduct and test their integrity through a declaration of adverse information and evidence. This is in accordance with NatWest Group values, confirming there are no legal or regulatory barriers to employing them. When colleagues join us, we aim to provide plenty of support, education and training for business and regulatory purposes. We expect colleagues to behave ethically at work and operate in line with Our Code and values. Their failure to do so can result in disciplinary action.

Regular interactions with our employee representatives such as trade unions, elected employee bodies and works councils are a vital means of transparency and engagement for us. We frequently use these sessions to discuss developments and updates on the progress of our strategic priorities. We aim to respect our employees' right of freedom of association across all our business and we share information about our employee representative bodies with our colleagues on our intranet. Approximately 73% of our employees are covered by a collective agreement and/or employee representative arrangements.

Pay

Our Fair Pay Charter sets out NatWest Group's commitment to pay all colleagues fairly, competitively and transparently, and our reward policy is updated according to the current and future needs of the business. In the UK, rates of pay continue to exceed the UK Living Wage Foundation benchmarks. For our major hubs outside the UK, we continue to pay above the minimum and living wage rates in the Republic of Ireland, as well as exceeding the minimum wage benchmarks in India and Poland. When the new UK real living wage rates were announced in September 2022, we immediately increased pay for our employees and relevant suppliers ahead of the May 2023 deadline.

(1) NatWest Group headcount for both continuing and discontinued operations at 31st December 2022, based on global data for active permanent colleagues (including FTC and excluding temps).

(2) Our Annual Report and Accounts (2022) p.316 provides further detail on colleague numbers.



Organisation structure, business and supply chain continued



Colleague Advisory Panel

We established a Colleague Advisory Panel (CAP) in 2018, through which our colleagues can engage directly with senior management and the Board on topics that are important to them, thereby strengthening the voice of colleagues in the boardroom. In 2022, its approach was reviewed and refreshed to promote even richer engagement with the Board and to increase opportunities to exchange views. We have appointed a new CAP chair and refreshed the panel of 28 colleagues who are self-nominated or part of an employee representative body. We designed our selection process to ensure membership is representative of the bank’s population e.g. business area, organisation level, location, working pattern and employee-led networks. Thereafter, the representatives for each area are selected at random to ensure that everyone has a chance to participate and to minimise the risk of bias in the process.

Colleague opinion survey

Our colleague opinion survey, Our View, compares responses to questions from colleagues at NatWest Group against the position in other companies, known as the Global Financial Services Norm (GFSN). Over 48,000 colleagues (82%) across all countries and levels participated in our September 2022 Our View survey⁽¹⁾. At 82%, this response rate is one of the highest seen in the last 10 years. In the face of an unprecedented external environment, our results remain strong and show overall resilience. However, lead measures in culture, wellbeing and purpose fell marginally, while our inclusion measure remained stable and, despite the challenging backdrop, our measure on building capability improved. Across all comparable categories, NatWest Group sits an average of six percentage points above the GFSN and two percentage points above the Global High Performance Norm (GHPN).

Our supply chain

To support our operations, NatWest Group purchases goods and services from suppliers. The majority (61%) of our EcoVadis assessed suppliers have a registered head office either in the UK or the Republic of Ireland. This is representative of our direct supply chain only.

Governance

During 2022, the Sustainable Banking Committee and the Board considered social matters via management reports on modern slavery, human rights activity and decarbonisation of the supply chain. The Board approved NatWest Group’s Human Rights Position Statement and Modern Slavery and Human Trafficking Statement.



In 2022:

- our refreshed CAP met with representatives from the Board twice to discuss issues including remuneration (for executives and the wider workforce), our values, future skills and the work being done on supporting customers in vulnerable situations.



In 2023, we will aim to:

- achieve a Global Living Wage accreditation.

(1) NatWest Group Our View results exclude Ulster Bank Rol



4 Our approach to addressing modern slavery and human trafficking

Our approach to tackling modern slavery and human trafficking sits within the wider human rights context. We recognise the important role that businesses play in promoting respect for human rights and seek to operate in accordance with a range of internationally accepted standards including the International Bill of Rights, which includes the Universal Declaration on Human Rights. In 2022, we continued our long-term, ongoing work to align our policies and practices to both the UNGPs and the OECD Guidelines for Multinational Enterprises although we know we have more to do.

We recognise the importance of a collaborative approach to addressing modern slavery. In 2022, we engaged regularly with expert groups and charities to help us better understand the external environment and to help us improve policies and processes to identify and mitigate modern slavery risk.

As a founding signatory of the UN Principles for Responsible Banking, our ambition is to align our strategy with the 2015 Paris Agreement and the UN Sustainable Development Goals (SDGs)⁽¹⁾. Our work on modern slavery and human trafficking strives to make a positive impact on:



Addressing global issues

through practical local action – NWG membership of the UN Global Compact Network UK Modern Slavery Working Group



Since joining the working group in 2020, NatWest Group has explored modern slavery issues, sharing challenges and best practice with UK network members. The working group heard from modern slavery issues experts, including Independent Anti-Slavery Commissioner Dame Sara Thornton, Chloe Cranston from Anti-Slavery International, Justine Currell from Unseen, Neil Giles from STOP THE TRAFFIK, and Shelly Han from Fair Labor Association to support the implementation of the Modern Slavery Act provisions.

In 2022, NatWest Group also took part in the Modern Slavery Act Statement Peer Review Programme, a safe space where businesses can discuss the challenges of producing a Modern Slavery Act Statement and exchange constructive criticism.

(1) The Sustainable Development Goals (SDGs) are a collection of 17 non-legally binding interlinked global goals set forth by the UN for countries and governments. References throughout this statement to the above SDGs are indicative guidance for NatWest Group's ambition to align its strategy with the UN Sustainable Development Goals and NatWest Group makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to whether NatWest Group's strategy furthers the objective or achieves the purpose of the indicated SDG.



Our approach to addressing modern slavery and human trafficking continued

4.1

NatWest Group Modern Slavery Working Group

We have established a Modern Slavery Working Group which is responsible for developing and embedding our goal to tackle modern slavery into relevant policies and statements. The working group reports to our Human Rights Steering Group (HRSG) and the chairperson of the HRSG has oversight of all NatWest Group’s policies related to modern slavery and has ultimate responsibility for the execution of all the anti-slavery initiatives across NatWest Group.

Working group members also take part in informal discussions with other organisations and stakeholders, including attending workshops and webinars to enhance their knowledge of the issue, share best practice and ensure that our approach continues to evolve.

Below is an illustration of the groups involved in the management and governance of Modern Slavery within NatWest Group:

NatWest Group Board

Sustainable Banking Committee

Executive Committee

Human Rights Steering Group

NatWest Group Modern Slavery Working Group membership

- Sustainable Banking (Chair)
- Supply Chain Services
- Customer Franchises
- Human Resources
- Legal
- Risk
- Financial Crime
- Reputational Risk
- Compliance and Conduct



In 2022, we:

- continued to monitor the external environment, working with Non-Governmental Organisations (NGOs) and charities and utilising their insight and guidance to strengthen our approach to identifying and tackling modern slavery.



In 2023, we will:

- continue to work with Unseen to better understand the modern slavery risks and issues related to our own operations and business relationships. We intend to join the Unseen Business Hub community, which will provide us with expert webinars and updates, practical resources and access to helpline trends and analysis on high-risk sectors.
- refresh and rename the ‘Human Rights Steering Group’ to the ‘Human Rights Action Group’, with the aim of accelerating progress against priority actions to develop our approach to human rights across the NatWest Group.



5 Policies

NatWest Group has a policy framework which seeks to prohibit instances of modern slavery and human trafficking, including:

- Our **Code, The NatWest Group Code of Conduct**, sets out our purpose and the values and behaviours that we expect from each other. It underpins all our actions and interactions – within the bank and in our external relationships – and defines the principles for making responsible decisions, as well as the values behind our purpose and culture.
- Our **Yes Check** is a key tool in helping guide our thinking and decision-making. Yes Check includes questions to help us consider the perspectives of different stakeholders and the potential impact we could have, before making the best decision.
- Our **Critical People Capability** behavioural framework sets out the behavioural expectations of all colleagues across NatWest Group. The framework is reviewed and approved by The Clear Company from a diversity and fairness perspective who awarded it a Silver Standard for inclusivity.
- Our **Fair Pay Charter** supports our commitment to pay competitively and transparently, helping our colleagues perform at their best every day.
- Our **Human Rights Position Statement** articulates our aim to promote and respect human rights within our own operations, through our supply chain, with our customers, and with any interactions that we have with local communities.
- Our **financial crime policies, procedures, internal systems and controls** enable the bank to identify, manage and mitigate financial crime risk.
- Our **Environmental, Social and Ethical Risk Management Framework** comprises of risk appetites and processes to give us better insight into our non-personal customers’ activities and address issues of concern to minimise risks to the bank and manage stakeholder expectations.
- Our **Supplier Charter** clearly states that we expect our suppliers to comply with the MSA. It also sets out wider expectations in regard to human rights and, importantly, outlines our own commitments.
- The **Responsible Investing Policy** and **Stewardship Policy** set out the approach to integrating ESG risk into the investment decision-making process of our Private Banking business (see page 16 for details).
- We continue to review relevant policies to ensure they comply with the legislation and support the spirit of the MSA.

Our values

are at the heart of how we deliver our purpose-led strategy. In 2022, having engaged with colleagues, customers, community stakeholders and suppliers, we launched our refreshed values of being inclusive, curious, robust, sustainable and ambitious. Our values form an integral part of our cultural identity.

Inclusive

We champion your belonging

Curious

We champion your ideas

Robust

We champion your judgement

Sustainable

We champion your impact

Ambitious

We champion your future



In 2022, we:

- reviewed and updated our Human Rights Position Statement reflecting our approach to align to internationally recognised principles including the UNGPs.
- launched our refreshed values of being inclusive, curious, robust, sustainable and ambitious following in-depth engagement with colleagues, customers, community stakeholders and suppliers.



In 2023, we will aim to:

- review our policy framework, updating relevant policies as required.



Policies continued

5.1

Raising a concern

Speak Up is the NatWest Group’s whistle-blowing service. The Speak Up policy applies to all employees and those acting on behalf of, or representing, NatWest Group, such as contractors, subcontractors, suppliers, temporary colleagues, secondees, consultants, interns and volunteers. This also includes any persons formerly in these roles.

The Speak Up reporting service allows individuals to report their concerns confidentially (and anonymously, if preferred) about any conduct and behaviour that falls short of Our Values and Our Code of Conduct; this can include any concern around human rights abuses including the facilitation of modern slavery. This reporting service is operated by an independent third party on behalf of NatWest Group. The Speak Up team receives all concerns raised through the service and assesses each case against the Speak Up policy.

All concerns that meet the policy definition are assigned to an investigation team that investigates the allegations raised and, where appropriate, liaises with and refers these to law enforcement. Feedback is shared with the individual who reported the incident throughout and at the conclusion of the investigation. While as much information as possible is shared, due to confidentiality requirements there are times when detailed information can’t be shared to protect the integrity of the investigation, or the privacy of individuals being investigated.

The effectiveness of the Speak Up framework, together with trends and themes identified from reports received, is reported on a biannual basis to the NatWest Group Audit Committee.

Our 2022 colleague opinion survey, Our View, found that:

- 90% of colleagues feel safe to speak up within their business area;
- 97% know how to raise their concerns; and
- 89% believe concerns would be handled appropriately.

In 2022 no reports were received citing allegations of human trafficking/modern slavery through the Speak Up reporting line.



In 2022, we:

- included ‘involvement in the facilitation of slavery’ in the Speak Up policy as an example of what can be reported through the Speak Up service.
- included ‘Involvement in Human Trafficking/Slavery’ as a bespoke allegation within the Speak Up reporting system.
- reviewed the effectiveness of the whistle-blowing framework arrangements through (1) feedback from colleagues who have used the service and (2) the annual colleague opinion survey to identify framework enhancements. In addition, Ernst & Young reviewed the Speak Up framework and found it to be ‘best in class’ in seven out of nine⁽¹⁾ categories and ‘excellent’ in the other two categories.



In 2023, we will aim to:

- enhance Speak Up training for new joiners by rolling out quarterly refresher training sessions in addition to the Speak Up module. This will ensure that all new joiners know and understand how to report concerns.
- develop anonymised email functionality providing reporters with the ability to receive notifications of updates from investigators while still remaining anonymous.

(1) The nine stages of the EY whistle-blowing infrastructure maturity model are: 1) Confidential reporting culture, 2) Tone at the top, 3) Policy and guidance, 4) Oversight and reporting, 5) Awareness and training, 6) Accessibility/ease of use of whistle-blowing process, 7) Triage and case management, 8) Investigation, and 9) Effectiveness.



6 Risk assessment and due diligence

6.1

Our supply chain – risk assessment

NatWest Group engages with a wide range of suppliers who help us to deliver high-quality products and services to our customers. All our suppliers are expected to operate in an ethical, open and transparent way, and in accordance with applicable laws and regulation. The majority of our suppliers are based in the UK and the Republic of Ireland.

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chain.

Our [Supplier Charter](#) sets out our aims and expectations in the areas of ethical business conduct, human rights, environmental sustainability, diversity and inclusion, the living wage and prompt payment. It is covered in our tender process, and is a standing agenda item in supplier review meetings conducted as part of ongoing contract management. It details what we expect from our suppliers. It also outlines our own commitments in these key areas and the outcomes we aim to achieve by working together.

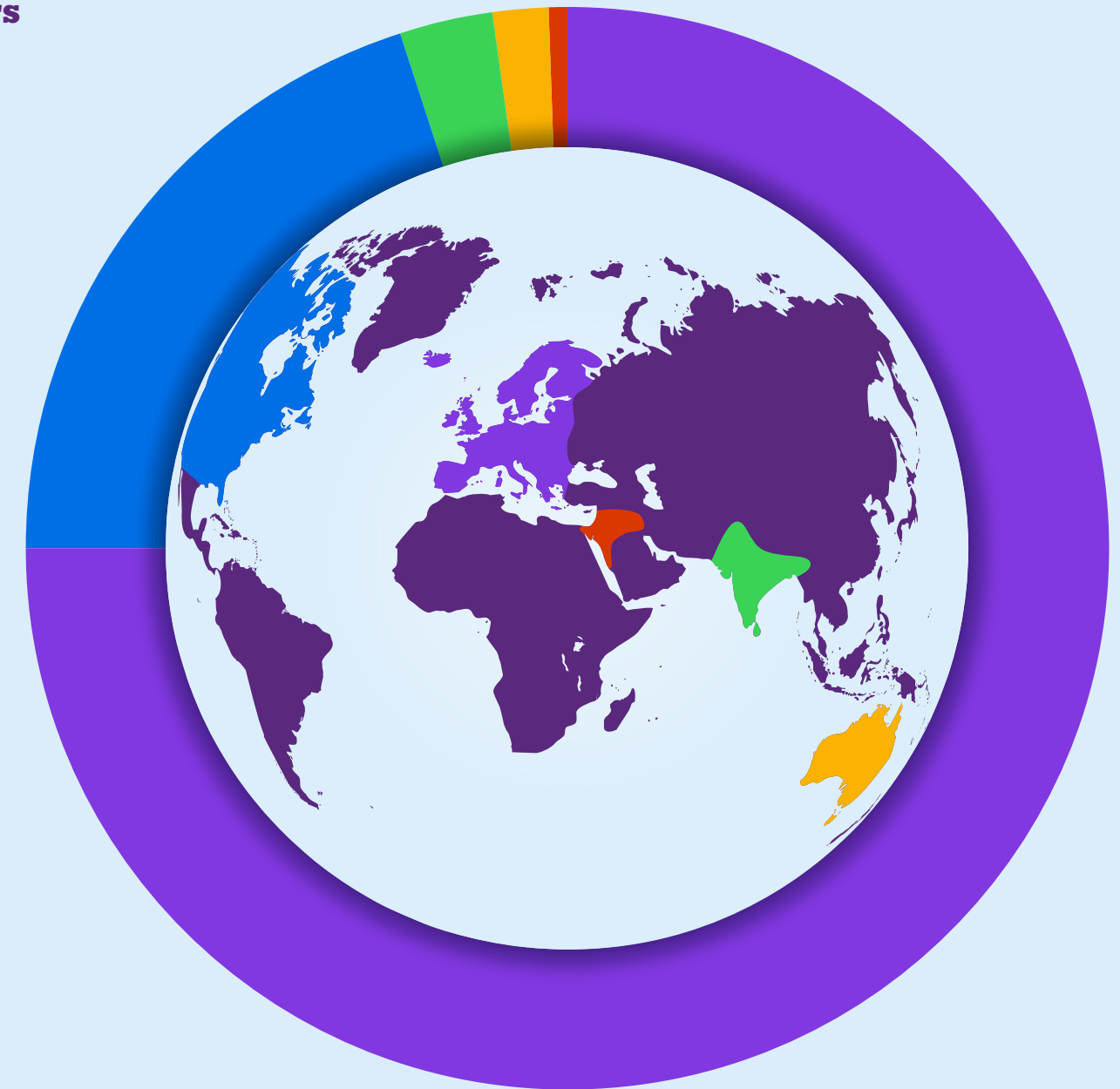
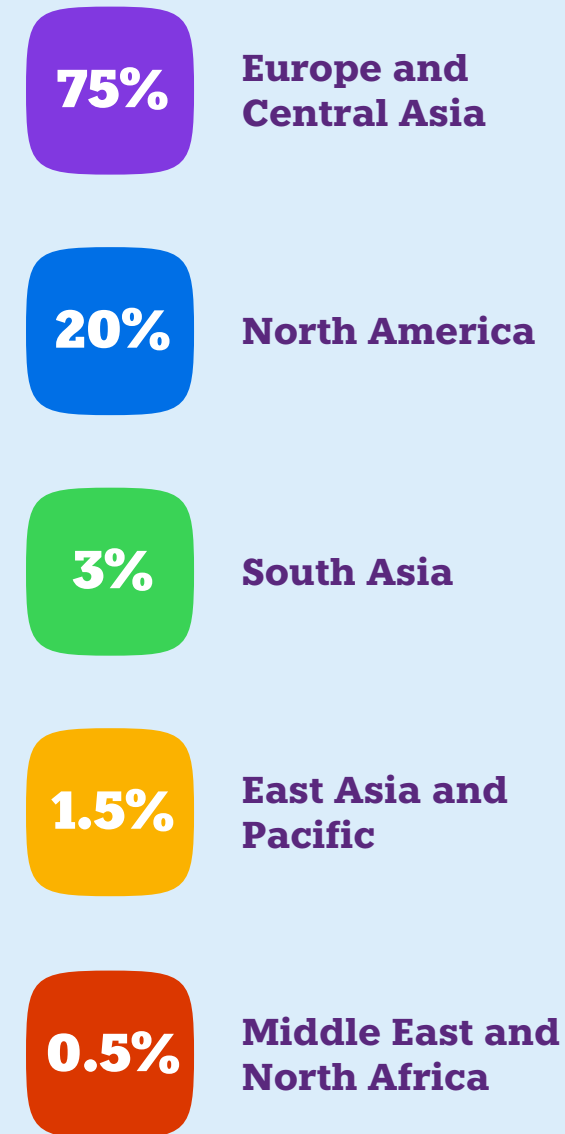
Our Supplier Charter states that we expect suppliers:

- to comply with the MSA;
- not to use child labour, in accordance with, among others, Article 3 ILO Convention 182, or forced labour, as defined in ILO Convention C029; and
- to support Sustainable Development Goal 8.7.

In September 2022, led by our head of Supply Chain Services and with collaboration from subject matter experts and policy owners, we completed our third annual review of the effectiveness of the charter and updated it to reflect the bank’s latest position and expectations.

(1) This information is provided by EcoVadis and based on the 533 suppliers who have completed an assessment. Ecovadis scores the ESG of our Suppliers globally. There is an aggregate supplier score, and four sub scores for Environment, Labour & Human Rights, Ethics, and Sustainable Procurement

EcoVadis scored our suppliers by country/geography ⁽¹⁾





Risk assessment and due diligence continued

Assessing the sustainability of our suppliers:

Through our work with EcoVadis, we aim to understand and measure our performance and the performance of our suppliers across various areas of sustainability, as set out in our Supplier Charter. EcoVadis is a leading organisation providing third-party evidence-based assessments of sustainability performance. EcoVadis is helping us to understand and measure our own performance and that of our suppliers against core ESG pillars, enabling us to identify social, environmental and ethical improvements.

One of EcoVadis’s four core assessment pillars is labour and human rights, in which it assesses employee health and safety, working conditions, social dialogue, career management and training, child labour, forced labour and human trafficking, diversity, discrimination and harassment and external stakeholder human rights.

EcoVadis also monitors specialist media (including but not limited to trade unions, sustainability networks, NGOs, labour watch and local media) to gather news and insights relevant to the assessed entity and sustainability. This helps to provide due diligence beyond the documentation provided by the supplier.

NatWest Group has made significant progress since working with EcoVadis. At present, 533 of our suppliers have completed an EcoVadis assessment and received a rating, which covers the majority of supplier spend. Overall our suppliers have an average score of 55.7% which sits favourably against the global EcoVadis average of 45.1%. On labour and human rights, our average supplier score is 57.0% which is above the EcoVadis average of 47.9%. Where a supplier falls below the EcoVadis average, a corrective plan is initiated and, if appropriate, is discussed at supplier meetings.

In 2022, EcoVadis also conducted a sustainability assessment of NatWest Group, in which it scored 67% in the Labour & Human Rights category, which is significantly higher than the global EcoVadis average of 50%, ranking us in the 91st percentile.

Our suppliers – due diligence

We encourage suppliers to implement the standards of the Supplier Charter with their own subcontractors. Contractually, we require suppliers to comply with applicable laws and regulations (which include the MSA) and our supplier tender process includes specific questions in relation to both the MSA and ILO conventions. These questions are asked through the onboarding process and then again on contract renewal or every three years, whichever occurs first.

Supplier review meetings, conducted as part of ongoing contract management, have a standing agenda point to discuss the Supplier Charter, which includes modern slavery and human rights issues. If a supplier is unable to comply with any element of the Supplier Charter, this is raised through NatWest Group’s operational risk process and dealt with on a case-by-case basis. This includes engaging with the supplier to identify potential remediation measures.

In 2022, there were no known instances of suppliers failing to meet their commitments in relation to the MSA.

Our whistle-blowing service, Speak Up, is also available to suppliers, enabling them to report unethical conduct with regards to their relationship with NatWest Group. Speak Up is brought to suppliers’ attention through their contract with us and the Supplier Charter. Of the 355 reports received in 2022, four cases were raised by a contractor or supplier; none related to modern slavery.



In 2022, we:

- reviewed and updated our Supplier Charter, which outlines our commitments and expectations of suppliers in relation to modern slavery and human trafficking.
- continued to pay our suppliers promptly for the services they provide to us. Our standard payment terms are 30 days; however, we have continued to maintain immediate payment on goods and services on receipt, which supports our suppliers during the cost of living crisis. This goes significantly beyond our commitment undertaken as a signatory to the Government’s Prompt Payment Code, which requires payment to be made in 60 days.
- for the second year running, NatWest Group was recognised as a fast payer, winning the Good Business Pays Fast Payer Award, placing us in the top seven companies in 2022.

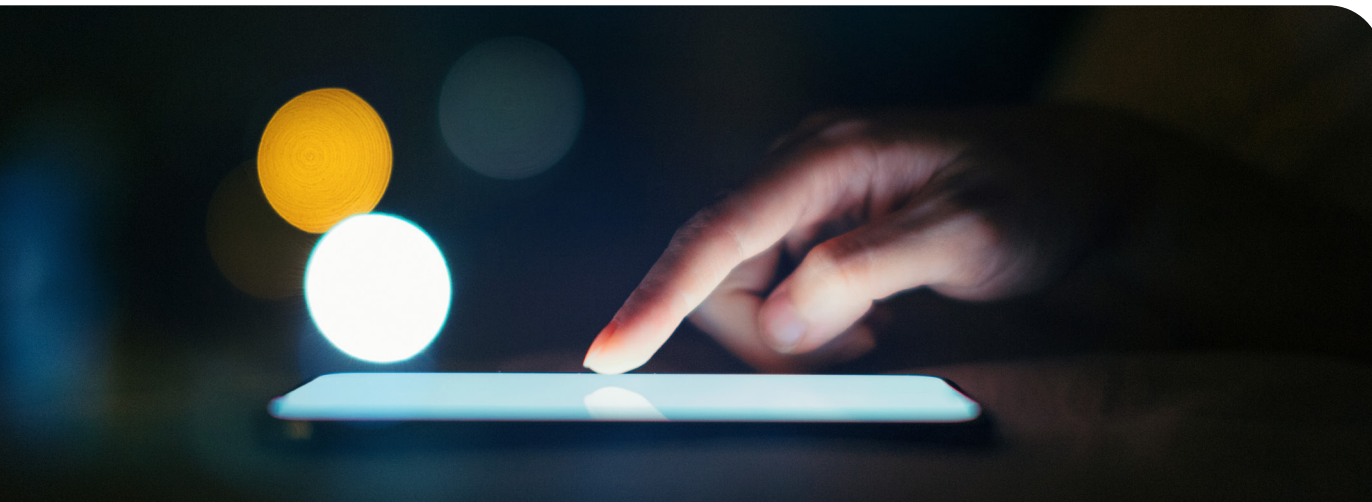


In 2023, we will aim to:

- identify areas where we can enhance due diligence processes for suppliers to strengthen the areas around modern slavery.
- ensure our supply chain managers complete the standalone modern slavery training.
- continue to work with EcoVadis to better understand and measure both our own performance and the performance of our suppliers on key sustainability metrics, including the policies and processes in place to identify and tackle modern slavery and human trafficking. EcoVadis plans to implement a new modern slavery dashboard. This should be operational by the end of 2023 and will help us to better understand any risks that may exist within our EcoVadis assessed supply chain.
- conduct an annual review of our Supplier Charter and update it, if required.



Risk assessment and due diligence continued



Identifying potential modern slavery perpetrators

Our Financial Crime teams have a range of tools to support the identification of potential victims and perpetrators of modern slavery. These include transaction monitoring rules and the development of a threat dashboard covering relevant personal and non-personal customer populations with indicators based on known modern slavery typologies, with a primary focus on sexual exploitation and other typologies under development. Accounts identified by these tools are reviewed and managed accordingly.

One account proactively identified by the bank's Modern Slavery dashboard in 2022 was a personal account that displayed transactional patterns matching red flag indicators of typologies connected to sexual exploitation of victims of trafficking from Eastern Europe. Following further review of the account, we disclosed to the National Crime Agency our suspicion that the account was laundering proceeds of trafficking and sexual exploitation.

6.2

Strengthening our approach to modern slavery as a financial crime

We understand that tackling financial crime is the right thing to do and we seek to combat financial crime by taking a proactive approach. In the context of modern slavery specifically, our TMU is one area that investigates and disseminates intelligence on financial crime to key areas of NatWest Group to enable better detection and disruption of threats. In 2022, the TMU has continued to share intelligence regarding modern slavery enabling employees to raise suspicious activity reports and, where appropriate, exit relationships.

We recognise that we cannot tackle modern slavery in isolation and we actively collaborate across the private sector, as well as with government, NGOs and law enforcement. We are active members of the Public Private Operational Board (led by the National Economic Crime Centre), which drives partnership work through the Joint Money Laundering Intelligence Taskforce (JMLIT) and other groups to tackle economic crime. One of the groups focuses on tackling the laundering of the proceeds of human trafficking and organised immigration crime.



In 2022, we:

- continued our efforts to combat financial crime and the misuse of our products and services by criminals, taking a proactive approach to financial crime risk.
- continued to investigate financial crime and disseminate intelligence to relevant areas of the bank and externally to enable the better detection and disruption of financial crime.
- continued to raise awareness of modern slavery and human trafficking across the bank to enable colleagues to identify and raise any modern slavery concerns.
- continued to work with data and analytics colleagues and external stakeholders to enhance our ability to detect activity indicative of modern slavery and human trafficking through proactive detection.



In 2023, we will aim to:

- continue to build intelligence through the work of our TMU and with industry bodies representing sectors that are vulnerable to modern slavery.
- develop and run bespoke awareness raising training (covering new and emerging trends) to help colleagues identify and report any concerns around modern slavery, improving our detection capability.



Risk assessment and due diligence continued

6.3

Assessing and managing risk through our Environmental, Social and Ethical Risk Framework.

We recognise that the activities of our customers can have environmental, social and ethical (ESE) impacts – specifically the potential for human rights infringements.

ESE risk¹ forms part of NatWest Group’s overall Reputational Risk policy and requires enhanced due diligence to be performed for heightened-risk relationships, transactions, activities and projects.

To manage these risks, we have developed Risk Acceptance Criteria (RAC) for nine sectors which present heightened ESE risk and define the level of ESE risk the bank is prepared to accept.

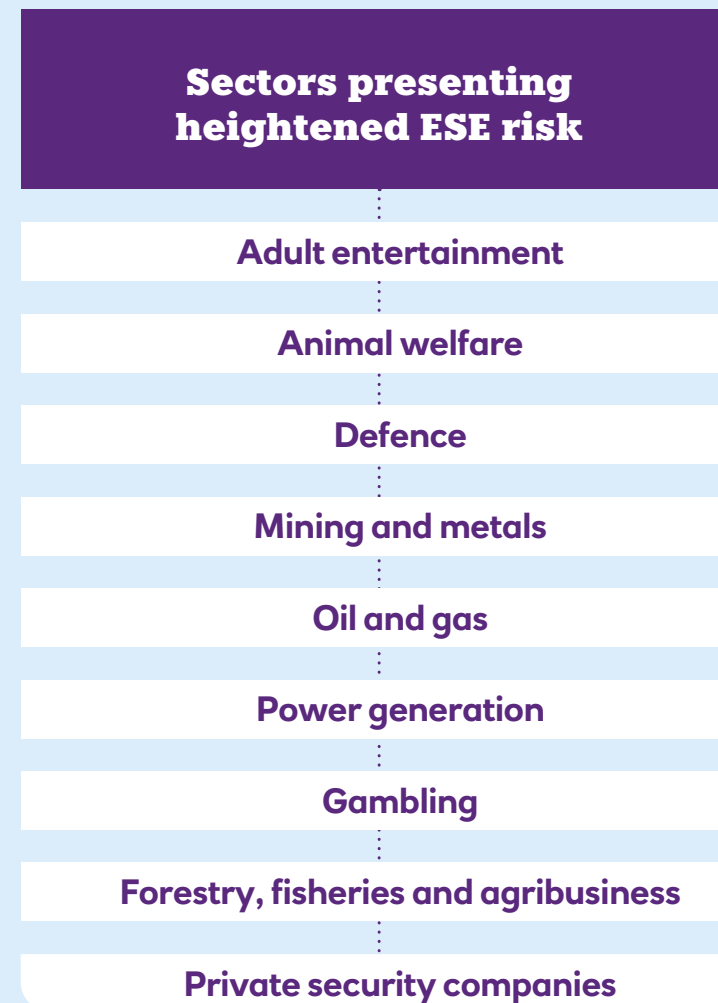
The ESE RAC applies to all legal entities within the Group for the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services). Some of the activities which we do not lend to include sexual entertainment venues, the manufacture, sale, trade, servicing or stockpiling of Highly Controversial Weapons and customers using child labour, forced labour, modern slavery or human trafficking.

We also have an ESE risk concerns process which seeks to ensure that ESE risk is identified and managed for customers and transactions in sectors which are not covered by Risk Acceptance Criteria. Examples might include human rights, modern slavery or social issue-related campaigns against a company in sectors such as agriculture/food, chemicals, tobacco, pharmaceuticals and waste management, or companies associated with controversial projects.

A breakdown of the sectors assessed using our ESE Risk Framework follows:

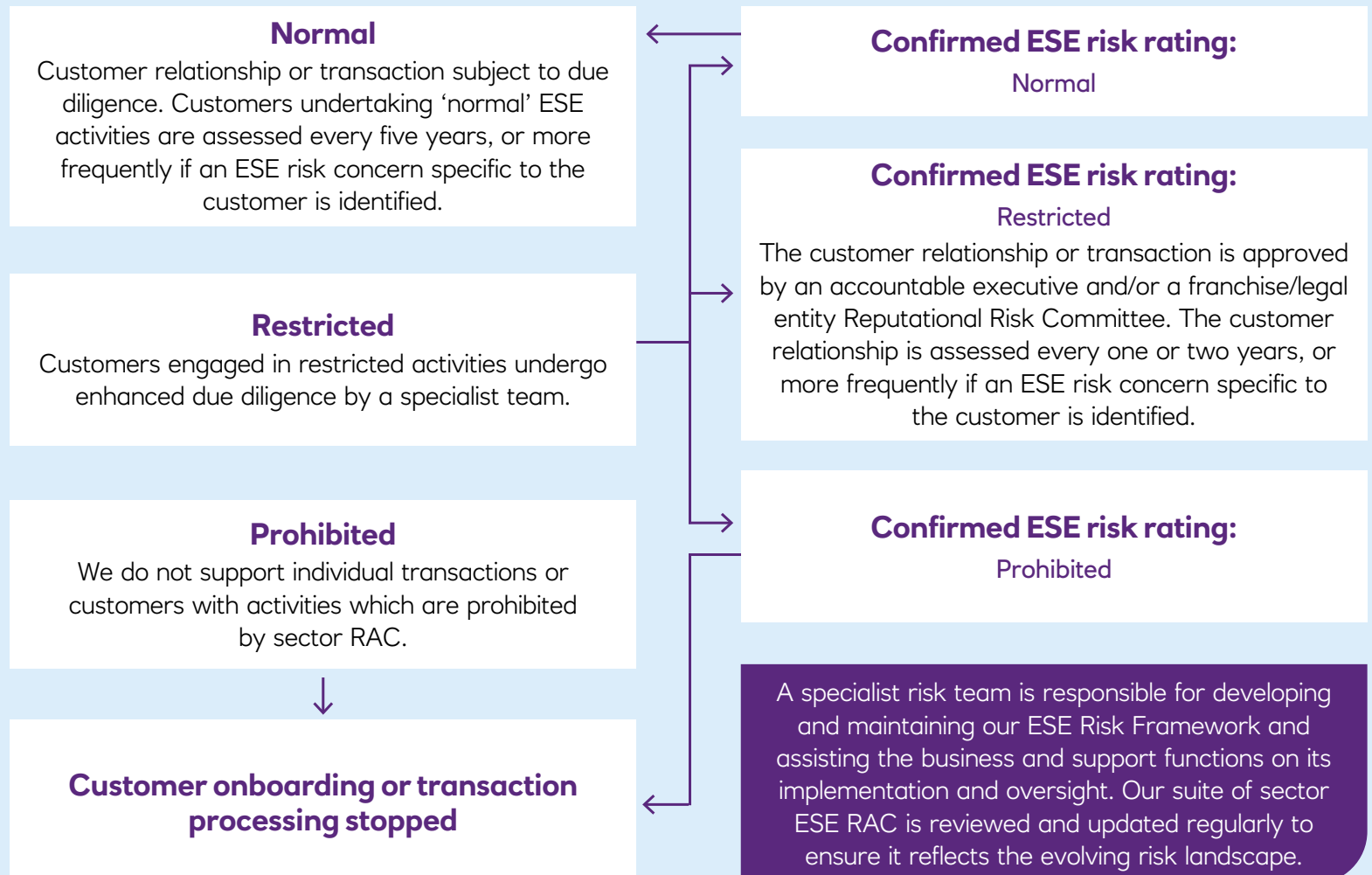
ESE Risk Framework

At NatWest Group, we have nine ESE sector Risk Acceptance Criteria (RAC) for sectors that present heightened ESE risk. Non-personal customers or trade transactions that fall within a sector RAC, or any other non-personal customer where associated ESE risk concerns have been identified, are subject to enhanced due diligence.



Initial screening is completed by the relationship managing team and an ESE risk rating is assigned.

The specialist ESE assessments team performs an ESE risk assessment and confirms the ESE risk rating of the customer relationship or transaction. The risk rating determines approval requirements and when the next ESE assessment is required in the customer lifecycle.

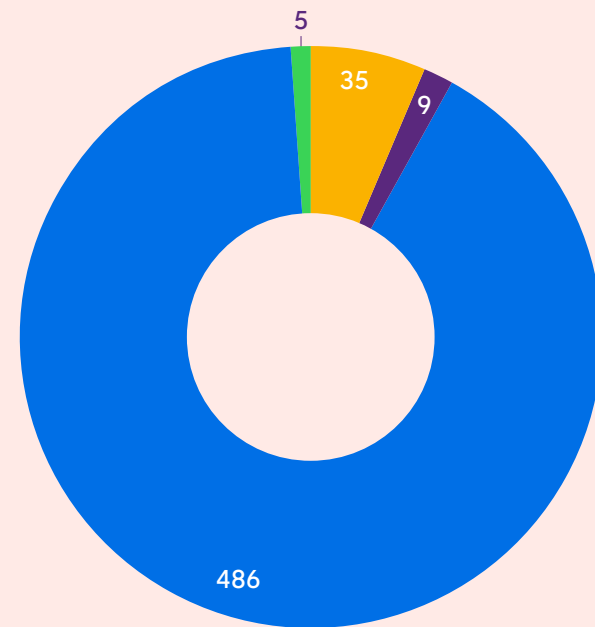


(1) The ESE Risk Framework applies to all legal entities within the Group for the onboarding of non-personal customers (including, but not limited to, for the purposes of providing lending or loan underwriting services).



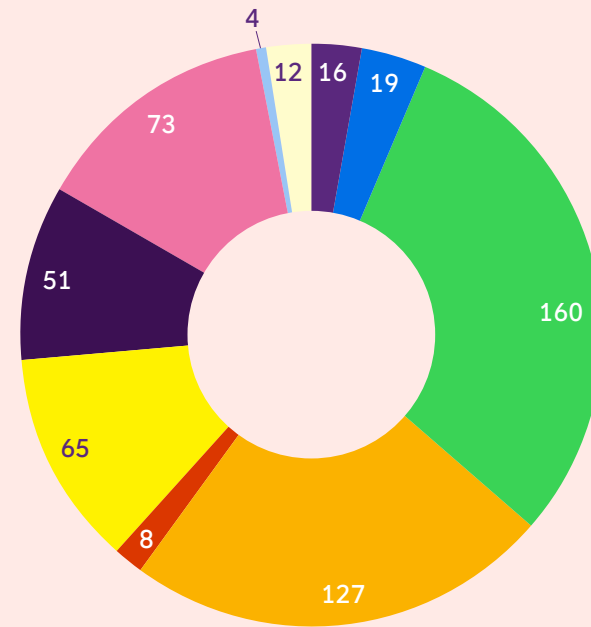
Risk assessment and due diligence continued

Customers assessed against the ESE Risk Framework in 2022 by category



- Sensitive
- Normal
- High
- Prohibited

Customers assessed against the ESE Risk Framework in 2022 by sector



- Adult entertainment
- Animal welfare
- Defence
- Forestry, fisheries and agribusiness
- Generic
- Mining and metals
- Oil and gas
- Power generation
- Private security companies
- Gambling



In 2022, we:

- undertook 535 customer ESE assessments (2021: 305), and 126 trade-related transactions involving defence equipment (2021: 108). The increase is representative of a more cautious approach to assessing customers against Risk Acceptance Criteria in 2022.
- conducted an ESE sector review on the adult entertainment sector as part of the standard review cycle. This considered changes to risk profiles including heightened risk of modern slavery.



In 2023, we will aim to:

- begin work to develop a new, standalone ESE Human Rights risk appetite that will cover a range of sectors which have heightened risk specifically around human rights and modern slavery.



Risk assessment and due diligence continued

6.4

Investments: tackling modern slavery by investing responsibly

Coutts & Co is a subsidiary of NatWest Group providing banking, lending and wealth management services to UK connected high net worth individuals and their business interests. Private Banking is the Investment Centre of Excellence for NatWest Group, servicing all client segments across Retail, Premier and Private Banking. It provides private banking and wealth management services through the Coutts & Co (“Coutts”) brand, as well as investment products and services to help our customers achieve their financial goals at every stage of their lives. Our Asset Management function invests across both developed and developing markets, with the ability to invest in equities and fixed income. We recognise that, as a global investor, we can have exposure through our investment portfolios to securities and/or debt in sectors or markets where there’s risk of modern slavery. We’ve therefore put in place an ESG policy and specifically seek to tackle modern slavery and human trafficking through our voting and engagement and third-party fund selection process.

Voting and engagement

- We place a strong emphasis on the importance of voting and engagement in the funds and companies which Coutts, the investment manager, invest in, focusing on environmental, social and governance issues.

- We have worked with EOS at Federated Hermes since 2017 to strengthen the impact of these stewardship activities. We use its size and resources to exert influence on the companies in which we are invested.
- We have an engagement focus in 2022-23 to ensure that human rights and labour rights remain in the spotlight.

Through EOS at Federated Hermes, we continue to engage on human and labour rights. We expect companies to acknowledge the likelihood that human rights impacts may be present within operations and supply chains and demonstrate appropriate board and executive level governance of human rights. Our engagement focuses on ensuring that companies do not infringe upon basic human rights and provide effective remedy in case of any harm, while taking steps to provide fair and equitable access to finance, healthcare and nutrition. We will continue to focus on the protection of indigenous and community rights and high-risk regions such as disputed territories or areas of conflict. We will further focus on the protection of digital rights in the virtual world, such as challenges to the right to data privacy, the right to freedom of expression and protection from unfair biases arising from artificial intelligence. We will continue to promote corporate application of the UNGPs. We will also focus on escalated breaches of the UN Global Compact principles for human rights including considering voting against directors if not being adequately remediated or if the company lags on human rights benchmarks.

Due diligence and third-party fund selection

As part of our goal to tackle modern slavery, we regularly work to improve how we monitor and assess progress as part of our due diligence process. Third-party fund managers within our discretionary managed portfolios complete a dedicated responsible investing questionnaire, covering topics such as their:

- exposure to human rights violators based on the UNGPs;
- position on human rights and modern slavery, in line with the UK’s Modern Slavery Act 2015; and
- firm-wide responsible investing policy and ESG commitments.

Using this information, we analyse how engaged third-party fund managers are to these issues and their commitments to abolishing modern slavery. We engage directly with fund managers that we decide could be more proactive.

In 2022 we took decisive action to exclude companies from our passively Coutts managed ESG Insights funds⁽¹⁾ that were demonstrating a disregard for human rights, labour rights and environmental issues. We enhanced our investment **exclusions policy** to exclude companies that have violated the following global norms and conventions: United Nations Global Compact, UNGPs and International Labour Organization⁽²⁾.

Overview of norms and conventions

Global Compact Compliance – UNGC	Labour Compliance – Broad
<ul style="list-style-type: none"> • Human rights • Labour • Environment • Corruption 	<ul style="list-style-type: none"> • Child labour • Discrimination • Health & safety • Forced labour • Collective bargaining • Working hours
Human Rights Compliance – UNGP	Labour Compliance – Core
<ul style="list-style-type: none"> • Child Labour • Forced Labour • Discrimination • Human rights abuses • Serious union-management conflict 	<ul style="list-style-type: none"> • Child labour • Forced labour • Discrimination • Collective bargaining

Our exclusions policy is applied across investments where we have direct control, as documented in the policy. However, as part of our investment approach we also have exposure to third-party funds. Where this is the case, we monitor the fund’s compliance with global norms around human rights and modern slavery as part of our investment due diligence process and we actively engage with fund managers that we invest in, but we are not always able to ensure that third-party funds comply with our exclusions policy. Where issues are identified, we flag this with the fund manager and make clear our position on human rights and modern slavery.

(1) Coutts US ESG Insights Equity Fund, Coutts Europe Ex UK ESG Insights Equity Fund & Coutts UK ESG Insights Equity Fund.

(2) Using both the Core and Broad ILO principles and conventions.



7 Training and raising awareness of modern slavery and human trafficking

Working with **STOP THE TRAFFIK** to raise awareness of modern slavery

STOP THE TRAFFIK
PEOPLE SHOULDN'T BE BOUGHT & SOLD



Ahead of World Day Against Trafficking of People on 28th July 2022, STOP THE TRAFFIK presented a 'lunch and learn' webinar to NatWest Group colleagues.

This event highlighted the prevalence of modern slavery, and taught NatWest Group colleagues to recognise signs of modern slavery in their daily lives, as well as what to do if such a situation arises. Attendees included colleagues from across NWG and the content demonstrated that they could come across modern slavery both in and outside work and how to report any concerns.

NatWest Group endeavours to raise awareness of modern slavery and human trafficking with our colleagues. We do this in a number of different ways: providing information around warning signs and red flags that may indicate human trafficking or modern slavery; and helping them understand that victims may often be hidden in plain sight.

We also ensure that our colleagues have access to educational materials about modern slavery via our intranet⁽¹⁾. Using our internal platform Workplace, we share best practices, news and insight on modern slavery.

In 2021, we launched a standalone modern slavery e-learning module which is available to all colleagues. The module was created alongside Unseen and highlights red flag indicators that colleagues can use to recognise possible signs of modern slavery and provides information on how to report any concerns. In October 2022, we worked with Unseen to refresh and update the content of the module, creating additional advanced content for colleagues in Supply Chain Services.

In response to modern slavery we provided modules to c20k colleagues in our Retail and Commercial & Institutional business segments. The content covered a number of real-life scenarios of modern slavery and human trafficking. This included a typology surrounding people trafficking and labour exploitations in the

construction industry, as well as the exploitation of a vulnerable individual by an organised criminal gang. Additionally the modules covered topics such as common slang terminology used by criminals, which may help highlight the existence of human trafficking and modern slavery.

In addition to our bank-wide modules, colleagues working within our dedicated financial crime hub also receive additional technical training on the red flags pertaining to modern slavery and human trafficking. Financial crime specialists are made aware of updates in the financial crime landscape through the TMU, which regularly provides updates on concerns relating to modern slavery; these updates are also available pan bank as 'on demand' content through our Financial Crime Academy. New joiners to our Transaction Monitoring teams complete introductory training which includes content on modern slavery and human trafficking as standard. This training covers the details of what modern slavery/human trafficking is, commonly affected industries, what influences criminal behaviour and the role of financial institutions, and has a number of case studies.



In 2022, we:

- held an awareness-raising training webinar for supply chain managers with STOP THE TRAFFIK to provide a better understanding of modern slavery, how to spot the signs and report any suspicions or concerns.

- the NatWest Financial Crime Definition was established to help colleagues understand and explain what financial crime is. Human trafficking is referenced in this, and the definition is grounded in all FinCrime Learning modules and is on the Financial Crime Academy.
- refreshed and updated the content of our standalone modern slavery e-learning module, with advanced content for colleagues in Supply Chain Services. Annual completion of this module is now mandatory for supply chain managers.
- 179 members of our Transaction Monitoring team completed introductory training which included information on modern slavery and human trafficking.



In 2023, we will aim to:

- update our e-learning module and create additional advanced content for those colleagues who are more likely to encounter modern slavery in their day-to-day roles.
- hold a group-wide webinar ahead of Anti-Slavery Day (18th October) to provide information on modern slavery and how colleagues can report any concerns.
- develop and run bespoke awareness-raising training, with colleagues in TMU, covering new and emerging trends to help colleagues identify and report any concerns around modern slavery, improving our detection capability.

(1) This page is updated at least annually.



8 Measuring effectiveness

We continue to evolve the way we identify and mitigate modern slavery risks and measure the effectiveness of our policies through this framework. In our 2021 statement, we proposed a range of activities that we aimed to put in place in 2022.

We achieved all of these activities apart from splitting our Forestry, Fisheries and Agribusiness ESE Risk Acceptance Criteria (RAC) into a (1) Forestry, (2) Fisheries & Aquaculture and (3) Agribusiness RAC as we decided that this was not necessary following an internal review.

We recognise that modern slavery is a hidden crime and therefore measuring the effectiveness of our response is difficult. As our approach continues to evolve so too will our year-on-year monitoring. We currently use the following selection of metrics to evaluate our performance:

Area	Key Performance Indicator	2021	2022
Colleague: training	• Number of colleagues who completed the standalone modern slavery e-learning module.	324	825 ⁽¹⁾
	• Percentage of colleagues who completed the mandatory Speak Up e-learning module.	100%	99.2%
Non-personal customers: ESE assessments	• Number of non-personal customers assessed by the Environmental, Social and Ethical Risk Framework.	305	535 ⁽²⁾
Suppliers	• Number of suppliers who have completed an EcoVadis assessment and received a rating.	480	533
Investments	• Number of companies engaged with on human rights.	N/A	108
	• Total number of human rights-related engagements.	N/A	183 ⁽³⁾
Reporting	• Number of incidents of modern slavery and human trafficking reported through Speak Up. ⁽⁴⁾	0	0

(1) This figure represents the number of colleagues who enrolled in and completed the Modern Slavery module between October 2021 – October 2022. The content of the module was updated in October 2022.

(2) This figure covers customer relationships and transaction assessments for environmental, social and ethical (ESE) risks. It does not cover assessments made only in relation to modern slavery and human trafficking. The NWG ESG Supplement 2022 provides further information on our ESE risk management framework.

(3) This figure represents the total number of engagements that we have had on issues relating to human rights, which includes modern slavery and human trafficking. It does not represent the number of engagements in relation to modern slavery and human trafficking.

(4) The Speak Up policy applies to anyone that acquires information about suspected wrong doing or misconduct through work related activities, during recruitment or as part of any pre-contractual negotiations.



9 Engaging with stakeholders

We understand that tackling modern slavery requires collaboration across many stakeholders to establish a collective, coordinated and sustained effort.

We engage with a variety of stakeholders including other businesses, the UK Government, law enforcement agencies, NGOs, charities and communities which enables us to keep abreast of changes in policy and grow our understanding of issues.

Working with **TRIBE Freedom Foundation**

Since 2018, NatWest Group has been working with TRIBE Freedom Foundation to support survivors of modern slavery and raise awareness of the issue amongst colleagues. TRIBE Freedom Foundation is a registered UK charity, established to fight modern slavery, end human trafficking and empower the survivors. Over the past four years, we have collaborated with TRIBE Freedom Foundation on a range of initiatives including research, fundraising and awareness raising.

Key highlights include:

- gaining insight and guidance from TRIBE Freedom Foundation’s financial industry research, particularly around survivor inclusion initiatives;
- raising more than £90,000 to assist the charity’s anti-slavery projects, enabling long-term support for survivors;
- delivering numerous joint webinars to NatWest Group colleagues, highlighting the realities of modern slavery, the impact on victims and the role that financial services plays in tackling modern slavery and human trafficking;

- working with other stakeholders including Themis and the Independent Anti-Slavery Commissioner to deliver and publish a research report looking at the role the financial services sector plays in preventing modern slavery and human trafficking; and
- colleagues from NatWest Markets and RBS International joining up to raise funds for TRIBE Freedom Foundation and increase awareness of modern slavery through cycling challenges in June 2023.

“Partnering with NatWest Group has really enabled us to amplify our impact and expand our reach across the financial industry. Fundraising by NatWest Group colleagues over the last four years has provided invaluable multi-year funding, enabling us to sustainably grow our projects and empower greater numbers of survivors. NatWest Group colleagues from across the group have also contributed to the development of the TRIBE Freedom Foundation Survivor Financial Empowerment Hub which will help create a life-changing impact for thousands of survivors across the UK. We are delighted to continue working together to create change and rally the financial sector in the fight against modern slavery.”

Laragh O’Malley
Head of Impact and Partnerships
TRIBE Freedom Foundation



In 2022, we:

- remained members of the Thun Group, an informal group of banks that seek to support the integration of the UN Guiding Principles on Business and Human Rights into the policies and practices of financial services organisations.
- remained members of the UN Global Compact’s UK Modern Slavery Working Group and the Joint Intelligence Money Laundering Taskforce (JMLIT).
- continued to engage with a range of charities and think tanks including Unseen, STOP THE TRAFFIK, and the TRIBE Freedom Foundation.



In 2023, we will aim to:

- continue to engage with a range of charities and think tanks including Unseen, STOP THE TRAFFIK and the TRIBE Freedom Foundation.



10 Governance

This statement was drafted and developed by our Modern Slavery Working Group.

It was reviewed by the Human Rights Steering Group and the ESG Disclosures Steering Group and noted at our Executive Committee.

It was presented to our Sustainable Banking Committee on 19 June 2023, approved by the Board of NatWest Group plc on 21 June 2023 and signed by Alison Rose, Chief Executive, NatWest Group plc and Howard Davies, Chairman, NatWest Group plc on 21 June 2023.

Signed by:

Alison Rose
Group Chief
Executive Officer,
NatWest Group plc

21 June 2023

Howard Davies
Chairman,
NatWest Group plc

21 June 2023



Appendix

A. List of The NatWest Group plc subsidiaries (“NatWest Group”) required to have a Modern Slavery and Human Trafficking statement under the Modern Slavery Act 2015.

RBS Invoice Finance Limited

Coutts & Company

NatWest Markets Plc

National Westminster Bank Plc

The Royal Bank of Scotland Plc

Lombard North Central PLC

Lombard Business Leasing Limited

JCB Finance Limited

The Royal Bank of Scotland International Ltd

NatWest Markets N.V.

Ulster Bank Ireland DAC

RBS Services India Private Limited

B. List of NatWest Group plc subsidiaries that have previously been required to have a modern slavery and human trafficking statement under the Modern Slavery Act 2015 but no longer meet the criteria.

Ulster Bank Limited

C. Other information and useful links

More information about our approach to sustainable banking is available on our website.

[NWG approach to business, human rights, and modern slavery website](#)

[Sustainable Banking](#)

[Annual Report and Accounts](#)

[Supplier Charter](#)

[Detecting and preventing financial crime](#)

[Managing Environmental, Social and Ethical \(ESE\) risk](#)

[Our Code](#)

[Working at NWG](#)

[ESG Supplement](#)



NatWest
Group

NatWest Group plc

2022 Statement on Modern Slavery and Human Trafficking