

## Corporate Responsibility

**Ards Peninsula** Ulster Bank has provided funding for a small-scale hydro project in the Ards Peninsula. Generating 56kW at peak output it can generate 88,000 units of renewable electricity every year. Ian McMurray is the Conservation Officer at the project.



- Our corporate responsibility is aligned with the interests of our customers, employees and shareholders. We succeed as a group by undertaking our business in a responsible and sustainable way.

In 2006 we have strengthened the extent, rigour and reporting of our consultation with our stakeholders. The issues that matter most to them provide the focus of our Corporate Responsibility strategy.

Our priorities in 2006 were promoting financial inclusion and capability; protecting our customers and shareholders against crime and fraud; managing our people to a global benchmark; adopting the revised Equator Principles and improving the environmental impact of our operations. Moreover we continue to invest heavily in the communities in which we serve around the world through our charitable engagement and through supporting the causes our staff care about.

#### **Financial Inclusion**

- We are committed to maintaining our branch network, and now have the largest number of branches and the largest network of free-to-use ATMs in the UK. We also increased our fleet of mobile branches in 2006 to 17, which visit 334 rural communities each week.
- We joined a working party with Treasury Select Committee Chairman John McFall to review financial inclusion and the availability of free-to-use ATMs in low-income areas. In 2006 we offered 300 more free-to-use ATMs in both rural and deprived areas. A further 200 are planned for 2007.
- In 2006, over 200,400 Step and Key accounts were opened, bringing the total number of basic bank accounts to over 930,800. This makes RBS the leading provider of basic bank accounts that are accessible at Post Offices.
- RBS is the largest corporate sponsor of the Money Advice Trust, through a six-year commitment to a £3.68 million partnership. During 2006 we extended our support for a further three years, providing an additional £2.15 million. This allows the Trust to improve the quality of face-to-face money advice delivered through organisations such as the Citizens Advice Bureau, and has provided training for 5,000 advisers each year.

#### **Financial Capability**

- Our Face2Face with Finance™ (F2F) programme is the largest financial education programme for schools in the UK. RBS provides curriculum-related teaching resources accredited by pfeg, the FSA's educational charity. In 2006, 450,000 pupils from 1,400 schools took part in lessons led by 550 RBS and NatWest employees.
- We launched School Money, the school bank, from the Royal Bank of Scotland and NatWest, and committed to opening 100 school banks in inner city schools in 2007. These school banks are set up and run by pupils for pupils and aim to establish a savings habit.
- In May 2006 we launched our Managing Your Money websites providing consumers with free access to skills, tools and advice to help them understand and manage their money.

**Madrid Run** Women from Global Banking & Market's Madrid office joined in one of Madrid's best supported charity fun runs. Asociación Española Contra el Cancer's annual run has become one of the most popular fund raising events in the city.



### Financial Crime

■ The Group's global fraud losses fell by 24% in 2006. In the UK, total industry fraud attacks grew by 8%, while attacks against RBS increased by just 2%. Plastic fraud losses for RBS declined by 5% while industry losses declined by 2%. Internet fraud losses declined by 14% compared with an industry-wide increase of 46%. As a leader in 'Phishing' prevention, RBS experienced only 1% of industry losses.

■ In 2006 we installed a system called 3D Secure, which provides greater security for internet purchases. We also introduced our industry-leading real-time profiling capability, which is an early fraud detection process, providing greater protection for our customers.

### Employee Practices

■ The 2006 ISR Employee Opinion Survey was completed by 87% of our 135,000-plus workforce, a new record. We outperformed our global peers in all 15 categories measured, for the second successive year.

■ Over the course of the year, more than 800 senior managers were trained at our Business School.

■ The Group received the Gold Award from Opportunity Now, recognising the excellence of our practices and performance in ensuring inclusion for women in the workplace. Online diversity training was launched across the UK.

■ RBS received the Remploy 'Leading the Way' award for excellence in disability management.

### The revised Equator Principles (EP)

■ In 2006, RBS adopted the revised Equator Principles which lowered the threshold for EP projects from US\$50 million to US\$10 million. Technical training for all relevant teams in implementing the revised Equator Principles will be complete by early 2007.

### Environment

■ In 2006, we reduced our carbon footprint in the UK and Ireland by 216,000 tonnes of CO<sub>2</sub>, by purchasing green electricity. We switched to recycled paper for office use in the UK and Ireland. A number of RBS facilities, including the Group's headquarters at RBS Gogarburn, achieved ISO14001 certification for environmental excellence.

### Key Achievements

■ 300 free-to-use ATMs offered to rural and deprived areas and a further 200 planned for 2007.

■ 930,800 basic bank accounts opened since the launch in 1999, with over 200,400 in 2006 alone.

■ £677 million loaned to small businesses in the 5% most deprived wards in the UK.

■ £58.6 million invested across the UK in our Community Investment programme.

■ One million schoolchildren have attended a Face2Face with Finance (F2F) lesson since the programme's re-launch in 2004.

■ 500,000 pupils will participate in F2F in 2007.

■ Citizens Financial Group gained 'outstanding' Community Re-investment Act (CRA) rating in six states and contributed \$27 million to non-profit organisations.

■ 87% of employees completed the Employee Opinion Survey in which RBS outperformed global peers in all 15 categories.

■ 24% reduction in global fraud losses in 2006.

■ Over £150 million of attempted fraud attacks thwarted as a result of new customer profiling capability.

■ £2,470 million paid to our ordinary shareholders in dividends.

Further information about Corporate Responsibility at RBS is available on our website at [www.rbs.com/cr](http://www.rbs.com/cr)



**Chairman's Award** This year's winner of the Chairman's Award for Community Excellence was Jim Smith, a branch manager from Glasgow. Over the past 20 years he has dedicated his time to supporting and coaching the junior football team at Paisley United Boy's Club. He has raised over £125,000 for the Club in the last five years.

**Community Investment**

■ In 2006, over 25,000 employees took part in our employee giving programmes (Give As You Earn and Community Cashback Awards), generating £12.7 million for over 8,500 charities and good causes across the UK and Ireland.

■ In 2006 our people spent a total of 202,800 hours on community activities during working hours, representing an investment of £3.6 million and involving 26,460 employees. The Group's main charity partners are The Prince's Trust, Fairbridge, Supergrounds and F2F, but in addition each of our businesses has a list of approved community and charity partners that employees can work with at a local level.

■ The work of our people is recognised annually through our Chairman's Awards. 754 nominations were received and 42 finalists were honoured at the awards presentation in February 2007.

■ In partnership with The Daily Mail, we made a £1 million Christmas donation to 91 Children's Charities, nominated by 18,000 RBS employees and Daily Mail readers.

■ Our Supergrounds programme entered its third year, with 450 primary schools from across the UK, nominated by RBS employees, benefiting from a playground improvement project.

■ Citizens Financial Group contributed \$27 million to 4,500 non-profit organisations in 13 states in the US, as well as providing more than 70,000 volunteer hours, at a value of \$1.2 million.

■ Charter One is making available \$150 million in loans over three years for economic and community development through its Charter One Uptown Initiative. The Initiative includes \$100 million set aside for economic development investments to encourage businesses to invest in the Cleveland area.



**RBS Supergrounds** As the international reach of RBS continues, so does the extension of its Community Programme. A team of over 60 from our Global Banking & Markets business across the Asia Pacific region gave up a day of their time to refurbish the Lin Tian Migrant School in Shanghai. Undertaken in partnership with Save the Children, it was our first international Supergrounds project.