

## Investors

### Providers of our capital and funding

#### How we engaged

The Chairman, Group CEO and Group CFO took part in a programme of engagement through quarterly results presentations and meetings with our largest shareholders.

Meetings with our wider senior management team, presentations at industry conferences and an investor spotlight on our climate strategy.

Programme of meetings for our largest institutional shareholders with the Senior Independent Director upon announcement of the new Chair.

In addition to the AGM, our Chairman and Group CEO represented the Board at a virtual shareholder event with private shareholders.

Challenges we faced:

On 26 July 2023, the Board announced that Alison Rose had agreed by mutual consent to step down as CEO of NatWest Group and that Paul Thwaite had been appointed as CEO for an initial period of 12 months. It was recognised that the unexpected change in management was likely to generate a number of questions for investors, and so it was important to engage quickly. After the news had been communicated to the market, we contacted our largest shareholders to offer them a meeting with the Chairman. A number of investors then spoke with Howard Davies, with discussions focusing on the events surrounding the CEO's departure and the scope of the independent review that would take place. In September 2023, Paul Thwaite began a programme of meetings with our largest shareholders to discuss his immediate priorities and listen to their feedback on the business.

#### Outcome of engagements

An open dialogue was maintained with our institutional shareholders, updating them on progress against our strategic priorities and financial targets. 180 meetings were hosted by the Chairman, CEO and CFO during 2023 which also gave investors the opportunity to provide feedback to the Board.

Institutional shareholders, fixed income investors and research analysts gained a deeper understanding of our business and were able to ask questions of the wider management team to inform their investment decisions.

Institutional shareholders were able to discuss the appointment process for the new Chair and share their feedback with the Board.

Private shareholders had the opportunity to engage with Board members on topics including the cost of living crisis, our strategy and our ambition to be a leading bank in the UK helping to address the climate challenge.

## Customers

### The people and businesses we serve

#### How we engaged

Through our Carbon Planner, a free digital tool designed to help UK businesses reduce their carbon footprint, and our Carbon Footprint Tracker for retail customers.

Customer listening programme, delivered through small focus groups of six to eight customers discussing their experiences.

Through our customer-facing websites and written communications, detailing our support in response to the UK Government's Mortgage Charter.

NatWest Accelerator, Entrepreneur hubs and key commercial partnerships.

Challenges we faced:

With the rapid rise in interest rates from late 2022 into 2023, customers urgently needed our support to understand the potential impacts and make informed decisions about their savings. We mobilised with a combination of new products and engaging communications, resulting in existing customers taking action and over 100,000 new customers joining the bank to take advantage of our savings products. This engagement strategy will continue to play a major role in supporting our customers as we help them to navigate the anticipated base rate changes over the coming 12 to 18 months.

#### Outcome of engagements

We have made helping to address the climate challenge and supporting our customers in their transition to net zero a strategic priority. Our tools could help customers and UK businesses to understand and reduce their carbon footprint.

In 2023, we held customer listening sessions on fraud, financial capability among customers in vulnerable situations, financial management apps, financial networks and finance and investment planning for people over the age of 55. These sessions were attended by ExCo members and other senior leaders across NatWest Group. We launched an intranet page to share the content from these sessions with all colleagues and now provide a range of media for colleagues, including reports, videos and podcasts.

We offered our customers additional support in response to the charter, building on our existing features for mortgage customers who may be facing financial difficulties. In 2023, our mortgage cost of living support web pages were visited over 57,000 times, with more than 30,000 customers utilising one of our additional support features.

We continued to collaborate with organisations such as Business in the Community, Hatch, Digital Boost, Women in Business, and the Centre for Research in Ethnic Minority Entrepreneurship to support entrepreneurs from a diverse range of backgrounds and sectors. In 2023, we supported over 1,300 entrepreneurs via the NatWest Accelerator, of which businesses 56% were led by women and 21% by people from ethnic minority backgrounds.

 **Colleagues**

The people who deliver our strategy

How we engaged	Outcome of engagements
Our View colleague engagement survey.	Our View September 2023 response rate was 84%, our highest-ever participation rate. The survey provided insights to support leaders in developing clear action plans and improve the colleague experience across NatWest Group. Understanding sentiment and using insight to drive people-based decisions means we are better equipped to help our colleagues to thrive. By understanding where we can improve the colleague experience, we are better placed to champion our colleagues' potential, supporting them to do the same for our customers.
Wellbeing Champions, Inclusion Champions, Our Colleague Experience Squad and employee-led networks.	We continued to support our employee-led networks (ELNs), which collectively have over 24,000 members globally. We launched our global ELN event calendar continuing to promote cultural diversity and faith celebrations focusing on impact and engagement.
Through our Climate Change Fundamentals education programme.	In 2023, we committed to educate all colleagues through our Climate Change Fundamentals programme which was completed by c.55,000 colleagues across the bank. The 60-minute programme, created in partnership with University of Edinburgh Centre for Business, Climate Change and Sustainability, focused on building awareness of our climate ambitions whilst helping colleagues build their own knowledge, skills, and behaviours to understand their role in climate change.
Colleague Advisory Panel (CAP).	The CAP continued to provide an important communication channel between the Board and colleagues. Panel members and directors shared views on executive remuneration and the wider workforce, ESG, Consumer Duty, and human rights. Discussions are reported to the Board by the CAP Chair, who also subsequently updates panel members. Refer to page 102 for more details on Board-level engagement.

Challenges we faced:

The unprecedented rise in the cost of living experienced by our colleagues created new challenges in 2023 through rising inflation and energy prices. We provided financial support to our colleagues most likely to be impacted by making a significant investment in our annual pay review effective April 2023, and we continue to support colleagues with our suite of financial wellbeing materials. Focusing on our lowest paid colleagues, we immediately implemented the changes to the real living wage and also increased our lowest starting salary to £22,000 effective April 2023, an increase of 16% since April 2022. For 2024 this will further increase to £23,500, with a significant wider investment in colleague pay recognising the pressures colleagues continue to face. 2023 also saw the announcement of our Sharing in Success (SiS) scheme which is intended to be a valuable addition to our colleague pay proposition.

 **Regulators**

Whose rules and expectations we seek to comply with

How we engaged	Outcome of engagements
With the FCA on its Discussion Papers and Call for Inputs on Big Tech firms entering the financial services sector.	Regulators have greater insight into the risks and opportunities posed by Big Tech firms' entry into the sector and the potential ramification of their use of technology.
Engagement with the Prudential Regulation Authority (PRA) on the latest Basel 3.1 capital proposals.	We are awaiting final rules from the PRA; however, through our discussions with the regulator we have highlighted the potential impacts on the real economy of increased capital requirements of the wider management team to inform their investment decisions.
Engagement with the Financial Conduct Authority (FCA) on our implementation of the new Consumer Duty.	Transparency on our implementation, consistent with the FCA's stated ambition to iterate on approach with firms.

Challenges we faced:

NatWest Group has been keen to support the FCA in understanding the potential competition impacts of Big Tech's entry in retail financial services. As such, we responded to the FCA's October 2022 Discussion Paper on 'The potential competition impacts of Big Tech entry and expansion in retail financial services', and are now subsequently working with the regulator on its more recent November 2023 Call for Input on the 'Potential competition impacts from the data asymmetry between Big Tech and firms in financial services'.

Stakeholder engagement continued

 **Communities**

The places where we have an impact

How we engaged	Outcome of engagements
Meetings, roundtable events and working groups with the UK Government, engagement with personnel within the government and the opposition.	Stakeholder engagement, combined with analysis of customer data, enabled us to better support those impacted by increased cost of living. We issued regular communications on the economy, the cost of living support we provide, and guidance about managing finances to MPs and researchers. We met with MPs and local groups and representatives to discuss alternative ways of banking in areas affected by branch closures.
We collaborated with partners through the Sustainable Homes and Buildings Coalition and the Energy Efficiency Taskforce.	We continued to help to address the climate challenge, focusing on helping customers reduce energy costs by supporting behavioural change and adapting their homes. We hosted events at Westminster in conjunction with former MP, Chris Skidmore and the UK Net Zero Coalition – where we published the third Home is Where the Heat is report. We also continued to progress our home retrofit plans and we participated in the UK’s representation at COP28.
We continued a regular series of constituency roundtable events and visits, bringing together business customers and local politicians to discuss the issues that matter most to them.	We participated in events on fraud awareness, cost of living support and help with banking for senior citizens through constituency engagement and liaison with local MPs. We demonstrated how NatWest Group adds value to local economies by creating jobs and offering apprenticeships, as well as by supporting and nurturing startups and small businesses.
Establishing and building charity relationships to explore how we can help communities to thrive through customer giving, colleague fundraising and volunteering.	Through our colleague Do Good Feel Good campaign, good causes received £3.8 million and 125,026 hours of volunteering time. Through our reward account, charities have received £987,000 in customer donations to support their vital work. We are a long-standing partner of the Disasters Emergency Committee (DEC) and our campaign for the Turkey–Syria Earthquake Appeal led to donations of over £3 million, which includes £1.87 million raised through our donation facility on our mobile banking app.
<p>Challenges we faced:</p> <p>Cost of living challenges following so quickly on from COVID-19 mean that charities continue to face challenges on fundraising while facing increased demand for their services. We have collaborated with charities working most closely with those impacted by cost of living to explore ways we can support more.</p>	

 **Suppliers**

Where we source our goods and services

How we engaged	Outcome of engagements
Board sessions with suppliers.	In 2023, the Board met with representatives of suppliers to strengthen relationships, to understand their experiences of working with NatWest Group and to identify future opportunities and challenges. Refer to page 101 for details on Board-level engagement.
Our Supplier Charter.	We have amended the intent of the Supplier Charter to create a 'one-stop-shop' for our suppliers. The charter highlights our ambition to create a diverse and responsible supply chain and in 2023 we added new guidance around digital accessibility, including valuable learning opportunities for our suppliers to share with their wider value chain.
Supplier Decarbonisation Programme pilot group.	Our Supplier Decarbonisation Programme was formed to help us achieve our ambition to reduce our operational value chain scope 3 emissions by 50% by 2030, against a 2019 baseline, and achieve net zero by 2050 across our operational value chain. The programme enabled colleagues to work with a test group of suppliers to understand the most effective way to build awareness and capability and, ultimately, to have deeper and more informed conversations with suppliers about climate-related matters. Refer to page 58 for further details on our Operational value chain.
Evidence-based supply chain sustainability assessments for our suppliers by third-party provider, EcoVadis.	528 of our suppliers participated in an EcoVadis assessment in 2023. Where a supplier falls below the global EcoVadis average (45.9%), a corrective plan is initiated and, if appropriate, is discussed at supplier meetings.
<p>Challenges we faced:</p> <p>Customers, employees, investors and governments increasingly demand that companies demonstrate how they’re working to be socially responsible and provide greater environmental stewardship. With new sustainability legislation, standards and guidelines, the need to do more to support our suppliers is clear. That’s why in 2023, we’ve continued to enhance our Supplier Charter to include guidance on digital accessibility, new developments and valuable learning opportunities for suppliers to share with their wider value chain.</p>	