

# Managing Political Activities

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The Royal Bank of Scotland's (RBS) ambition is to be No. 1 for Customer Service, Trust and Advocacy. [Our Code](#) defines our culture of ethical behaviour and how we conduct business to support this ambition.

RBS strives to maintain and adhere to the highest standards of governance and ethical conduct to prevent against bribery, corruption or reputational risks associated with political activities. We do not compromise on the legal, regulatory or policy requirements that govern our activity.

Our commitment to ethical behaviour and conduct means that we abide by not only the letter, but also the spirit, of applicable laws and regulation. This is a hallmark of the RBS culture and reflects our pledge to *Do the Right Thing* and *Serve our Customers*. Our position is as follows.

## Policy and Procedures

Political activities cover contributions, engagement with public officials through lobbying, and the recruitment of staff from the Public Sector ('Revolving Door'). RBS ensures that any political activities it engages in are not, and cannot be perceived to be, seeking to bribe another person or entity with the intention of securing any form of improper business advantage; or influence governmental actions, for RBS, regardless of whether RBS is aware of such conduct or not.

Consequently RBS has embedded the requisite policies and controls to ensure that its employees (including permanent employees, fixed term contractors, directors and non executive directors) globally understand these obligations and abide by them. The same applies to any other party with whom the Bank does business, whenever they act for or on behalf of RBS. All RBS employees are specifically required to comply with our Global Policy Framework, which sets out the RBS framework for managing potential risk to our organisation.

Our overall approach is framed around and based on the values of integrity, legitimacy, materiality, consistency, accountability and oversight. RBS policies, procedures and systems are specifically designed to meet these values, laws and regulations, and stakeholder expectations. The ways in which we manage the associated risk of our political engagements include:

- identifying and managing memberships of organisations the Bank engages in lobbying;
- an integrated approach to all aspects of political activities;
- conducting an annual risk assessment to identify, control and mitigate associated risks;
- performing monitoring and assurance activity to identify potential concerns.

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## Political Contributions

RBS is an apolitical organisation. Donations (financial or in kind) to political parties, individuals or campaigns are not permitted on its behalf.

## Lobbying

At RBS, we are committed to fostering and maintaining a culture based on our four core values: Doing the Right Thing, Working Together, Thinking Long Term and Serving our Customer.

Earning our customers' trust includes understanding the impact of government policy to ensure our products and services are right for our customers and meet legal and regulatory requirements. As a result, we are invited to participate in government consultations and policy discussions to share our industry expertise and perspective and to inform their deliberations. We do so alongside financial institutions and other corporate and non-corporate organisations operating in the UK.

We respond to public consultations from a range of public organisations, such as the FCA, accept invitations to appear before select committees and parliamentary groups, and participate in joint task forces (e.g. JMLIT) to outline our insights and perspective on industry matters.

## Third Parties

RBS is a member of a number of trade associations as part of its involvement in consultation on local, national and European legislation. Ensuring active and comprehensive RBS representation on trade associations is crucial as part of RBS's management of upstream risks. The Regulatory Developments team works closely with employees to identify RBS representation and to ensure that we are actively engaged where required and that we manage associated risks.

When engaging with any third party, intermediary or partners, we require compliance with all applicable local and national laws, and where appropriate applicable RBS policies and procedures, to ensure they are acting in an ethical and lawful manner.

## Recruitment

RBS has controls in place to manage the exchanges of people between the public sector and RBS through the recruitment process (including secondments). An assessment of the risk posed is undertaken and any mitigating controls imposed (such as cooling off periods).

## Accountability

Responsibility for the co-ordination and oversight of political activity – including monitoring, analysis, and development of policy positions, legislative responses and engagement with political and legislative stakeholders (including through events and one-to-one meetings) rests with Public & Consumer Affairs.

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