

Terms of Reference

Chair	An independent Non-Executive Director of The Royal Bank of Scotland Group plc (“RBSG”)
Members	At least three independent Non-Executive Directors (including the Group SBC Chairman)
Attendees	<p>Group Chairman</p> <p>Three Double Independent Non-Executive Directors of the NWH Sub Group Boards</p> <p>Group Chief Marketing Officer</p> <p>Director, Sustainable Banking</p> <p>Director of Strategy & Corporate Development</p> <p>Group HR Officer</p> <p>The NWH Sub Group comprises NatWest Holdings Limited, The Royal Bank of Scotland plc, National Westminster Bank Plc and Ulster Bank Limited.</p>
Additional Invitees	<p>The Group Chief Executive Officer and Group Chief Governance & Regulatory Officer and Board Counsel have the right of attendance at all meetings.</p> <p>Senior representatives from Risk, Commercial & Private Banking, Personal Banking, NatWest Markets, RBS International, Services and any other executives will be invited to attend as required.</p> <p>Additional invitees or subject matter experts may be invited to attend or present to the Group SBC at the request of the Chairman.</p>
Quorum	Two members
Meeting Frequency	<p>Approximately 5 committee meetings per annum and ad hoc as required.</p> <p>The Committee will also regularly hold external stakeholder engagement sessions.</p>
Secretary	Corporate Governance and Regulatory Affairs
This Committee receives its authority from	Group SBC operates under delegated authority from the RBSG Board
Purpose of this Committee	<p>To support the RBSG Board in overseeing, supporting and challenging actions being taken by management to run the bank as a sustainable business, capable of generating long term value for its stakeholders. Group SBC will support the Group’s purpose with a long term focus on franchise health, reputation and ethics in the context of rapid internal and external change. The Committee will have specific focus on:</p> <ul style="list-style-type: none">• Customers and Brands;• People and Culture:• the Competitive Environment; and• Society and Environment. <p>The Committee will regularly receive a sustainable banking dashboard that monitors progress against these focus areas.</p>

Scope of this Committee's oversight and responsibility

1. Customer and Brands

- 1.1 Challenge management to consider how the Group can best create value for customers today and in the future, with a focus on key customer and brand segments.
- 1.2 Oversee the action taken by management to implement the brand strategy to protect the brands and manage reputation across the Group.

2. Society and Environment

- 2.1 Oversee the action to manage, integrate and plan for wider social and environmental issues that impact both the Group and its customers.
- 2.2 Review management's approach to the climate change strategy including the Group's own environmental footprint, strategy and impacts.
- 2.3 Oversee how the Group responds to expectations about how the bank operates in its communities.
- 2.4 Receive updates as required on the health and effectiveness of supplier relations and related supplier topics.
- 2.5 Review external sustainability reporting and disclosure as required.
- 2.6 Review the sustainable banking dashboard to monitor progress and trajectory against an agreed number of focus areas.

3. Competitive Environment

- 3.1 Consider how the Group identifies and responds to current and emerging competitive threats with a focus on how this impacts customer experience¹.
- 3.2 Receive reports as required on managing reputational risk matters which include being notified of any material changes to Ethical, Social and Environmental appetite positions.

4. People and Culture

- 4.1 Oversee the action taken by management to engage today's workforce and build the workforce for tomorrow.
- 4.2 Support the development of any people related strategies.
- 4.3 Receive updates on actions to drive the RBSG Board approved culture, and monitor/challenge the progress on embedding plans on behalf of the Group Board.
- 4.4 Consider key workforce policies and practices (not related to pay) to ensure they are consistent with the values and support long term sustainable success.
- 4.5 Support the RBSG Board as required on the development of the bank's purpose.

5. Stakeholder Engagement

- 5.1 Undertake regular engagement with key stakeholder groups on shifting societal issues of importance to provide context and a better understanding of the stakeholder voice.

¹ The Technology and Innovation Committee will retain responsibility for considering the competitive landscape associated with technology and innovation development and consider the commercial viability, including prioritisation, of Group's Technology and Innovation agenda.

6. Performance Review

6.1 To arrange annual assessments of its own performance.

6.2 To review periodically these Terms of Reference and recommend any changes to the RBSG Board for approval.

Escalation

Group SBC will report and make recommendations to the RBSG Board, identifying any matters within its remit in respect of which it considers that action or improvement or approval is required.

Group SBC will provide advice on customer, people and culture targets and performance.

The minutes of Group SBC will be made available to the RBSG Board.

ToR last approved on

Group SBC – 13 March 2019

RBSG Board – 24 April 2019
