

## Listening to our stakeholders

Understanding the views, perspectives, concerns and ideas from in and outside of the bank is vital to ensure our products, services and operations meet the changing needs of customers, society and the environment. We aim to listen, learn and act. Our stakeholders are wide-ranging across topic specialists, media and public voices, policy makers, bank representatives and investors. Customers are at the heart of everything we do.

### Summary of key stakeholder groups and the main issues they raised during 2018

Stakeholder group	Stakeholder	Ways we engage	Main issues raised in 2018	Example outcomes from engagement in 2018
Customers	Personal and Business	<p>Webchat for personal customers</p> <p>Bankline for business and commercial customers</p> <p>Video banking</p> <p>Telephony &amp; secure messaging</p> <p>Face-to-face via branches, mobile branches, Community Bankers, Business Growth Enablers</p> <p>Customer Surveys including Net Promoter Score, syndicated surveys, focus groups</p> <p>Closed loop feedback</p> <p>Complaints</p> <p>Twitter</p> <p>Facebook</p>	<p>Customer satisfaction and trust</p> <p>Lending</p> <p>Lending fees and charges</p> <p>Supporting businesses</p> <p>Handling SMEs in distress</p> <p>Accessible banking</p> <p>Technology transformation</p> <p>Security &amp; fraud</p> <p>Alleged packaged account mis-selling</p> <p>PPI</p>	<p>There is a trained TechXpert in every branch to support customers with digital ways to bank.</p> <p>We are the only bank to have Community Bankers – they remain in the community when a branch closes and get to know our customers – just like the traditional Bank Manager. They help customers with their individual financial goals and support communities to be safe and secure when managing their money.</p> <p>Our Business Growth Enablers support local business customers by providing specialist advice, events and training to support their business needs. They put businesses in touch with local experts across the bank, and through their networks in their town or city, to help businesses where and when they need it most.</p> <p>Our @NatWest_Help has over 105,000 followers. In 2018 and continues to be used as a channel to communicate how to protect against fraud and scams.</p>

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Topic Specialists	Non-Governmental Organisations (NGOs)	<p>Face-to-face / telephone meetings</p> <p>Inviting speakers to Sustainable Banking Committee stakeholder engagement sessions</p> <p>Engaging with / responding to campaigns</p> <p>Social media monitoring / engagement</p> <p>Subscribing to membership organisations</p>	<p>Climate change</p> <p>Renewable energy</p> <p>Financing fossil fuels and nuclear weapons</p> <p>Environment and nature</p> <p>Human Rights</p> <p>Modern Slavery</p> <p>Sustainable Development Goals</p> <p>Transparency</p> <p>Purpose</p> <p>Ethics and Artificial Intelligence (AI)</p>	<p>Engaged with campaigning NGOs and announced new energy financing policies to support low carbon transition.</p> <p>Responded to consultations and now report in line with Taskforce on Climate-related Financial Disclosures (TCFD).</p> <p>Published our second annual statement on our approach to the Modern Slavery Act.</p> <p>Hosted four Sustainable Banking Engagement sessions on topics of Sustainable Credit, Ethics and AI, Purpose and Transparency.</p>
	Consumer Groups	<p>Stakeholder engagement sessions (dinners, hosting conferences and parliamentary launches)</p> <p>Round tables</p> <p>Sponsorship of and attending stakeholder annual conferences</p> <p>Briefings for Senior Exec meetings with CEOs and influencers from consumer and advocacy groups, charities and government ministers / departments</p> <p>Party conference fringe events</p> <p>RBS representative at financial sector membership groups</p> <p>Consumer groups as guest blog authors on RBS.com</p>	<p>Fraud and scams</p> <p>Non personal (Business) fraud</p> <p>Cyber security</p> <p>Financial capability and young workers</p> <p>Financial inclusion</p> <p>Vulnerable customers</p> <p>Consumer credit and debt</p> <p>Household finances</p> <p>Overdraft charges</p> <p>Lending fees</p> <p>Breathing space</p> <p>Branch closures</p> <p>PPI</p>	<p>Became the only bank sponsor of Friends Against Scams and supported National Trading Standards with launch.</p> <p>A RBS representative chaired the Money Advice Service working group on Financial Capability and Young Workers</p> <p>Two research reports under NatWest and Royal Bank of Scotland brands produced recommendations that gained support for Education Select Committee and Scottish Government on young workers.</p> <p>Following 2017 engagement on debt funding, RBS is co-sponsoring the transformational industry project for debt advice – the Target Operating Model (TOM) with the Single Financial Guidance Body (formerly Money Advice Service).</p> <p>Talking ATMs were launched and rolled out.</p> <p>Which? customer listening event engaged 32 NatWest customers and our CEO wrote out to attendees with an update on progress on issues they raised.</p>

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	Academics / Think Tanks	<p>Attending seminars and conferences</p> <p>Providing information for reports and academic papers</p> <p>Commissioning research</p> <p>Consulting on strategy decisions</p> <p>Stakeholder engagement sessions</p>	<p>Climate risks</p> <p>Sustainable Development Goals</p> <p>Circular Economy</p> <p>Housing</p> <p>Corporate governance</p>	<p>Held a workshop with Business in the Community to map the Sustainable Development Goals to our business.</p> <p>Member of the Banking Environment Initiative on Soft Commodities Compact.</p> <p>Supported the University of Edinburgh Circular Economy Innovation Hub.</p>
Media and Public Voices	Journalists	<p>Background briefings</p> <p>On the record print interviews</p> <p>Broadcast interviews</p> <p>Media roundtables</p> <p>Media receptions</p> <p>Regular relationship building with key journalists across the press office</p>	<p>Branch closures</p> <p>Global Restructuring Group (GRG)</p> <p>Legacy conduct issues</p> <p>Frauds and scams</p> <p>Brexit</p> <p>SME lending</p> <p>Interest rates</p> <p>Government ownership</p> <p>Shareholder dividends</p> <p>Pay</p> <p>Supporting the UK economy</p>	<p>An average of 500 articles written on the bank each month.</p> <p>We supported more than 400 proactive journalist engagements over the year.</p> <p>Populus survey results show RBS engages with journalists more than any other bank.</p>
	Social Media Influencers	<p>Social Media monitoring (RBS.com)</p> <p>NatWest, Royal Bank of Scotland and Ulster Bank Facebook, Twitter and LinkedIn</p>	Variety of customer and community interest areas	<p>We invited our stakeholders to provide guest blogs on rbs.com to raise profile of their important work. We then jointly tweet and communicate the blog.</p> <p>In 2018 we ran a series of guest blogs on financial health &amp; debt from consumer groups and charities focussing on topics like 'Making your money work for you in 2018', 'Tackling the link between money and mental health' and 'Why we need to talk about debt and relationships'.</p>

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Policy Makers	Politicians/ Governments	<p>Regular interactions with MPs / devolved administrations on what we're doing within their constituency specifically with regard to branch closures</p> <p>Political stakeholder briefings</p> <p>Involvement in industry conferences and forums</p> <p>Policy trend analysis</p> <p>Engage in polling</p> <p>Respond to consultation papers</p>	<p>Branch closures</p> <p>Brexit</p> <p>Cyber security</p> <p>Financial capability and inclusion</p> <p>SME lending</p> <p>Women in Business</p> <p>Entrepreneur Accelerator Hubs</p> <p>Housing</p> <p>Macro-political</p>	<p>We proactively contacted MPs / MSPs /AMs (Wales) in constituencies impacted by branch closures to offer further engagement.</p> <p>We notified politicians at all stages of our Skills and Opportunities Fund enabling them to encourage local applicants, support at voting stage and celebrate successful projects.</p> <p>Throughout 2018 we helped politicians connect with local businesses by sharing success stories of our customers that have received development loans. MPs/ MSPs/ AMs (Wales) were made aware of the positive impact this had on turnover, employment and quality of services in their area.</p> <p>All 650 MPs and 129 MSPs received a specific constituency pack outlining how Royal Bank or NatWest support the local economy and community.</p>
	Agencies/ Bodies	Engaging with Confederation of Business Industry, Federation of small business, British Chambers of Commerce, UK Finance.	As above	Through a variety of interactions we work with individual bodies to ensure best practice is shared, where appropriate, to ensure great outcomes for our customers.

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	Regulators	<p>Monitoring regulatory change</p> <p>Engaging with regulatory consultations</p> <p>Compliance with regulatory changes</p>	<p>Brexit</p> <p>Climate change</p> <p>SME complaints</p> <p>Operational resilience</p> <p>Alternative risk free reference rates (to replace LIBOR)</p> <p>Payments</p> <p>Retail banking</p> <p>Consumer credit</p> <p>Business growth</p> <p>Cyber-security</p> <p>Credit risk</p> <p>Culture and behaviour</p> <p>Capital adequacy</p> <p>Senior managers and certification regimes</p> <p>Bank structural reform implementation</p> <p>Historical conduct issues</p> <p>State Aid commitment</p> <p>Bank strategy</p> <p>Pension contributions</p> <p>Payment Services</p> <p>Regulator – Authorised Push Payments (APP) super complaint</p> <p>Markets in Financial Instruments Directive and Markets in Financial Regulation (MiFID II/ MiFIR)</p>	<p>RBS sent 28 bilateral responses to consultations or other requests for comment / input issued by various government, regulatory and standard setting bodies during 2018. The bank also contributed to a number of comments from trade associations.</p> <p>In addition the bank engaged with regulators during the policy formulation phase on a number of occasions to help inform priorities – examples included climate change and operational resilience, both of which are being considered in new ways.</p> <p>RBS engaged with EU institutions with the view that the original proposal for a single EU intermediate holding company (IPU) was not practical for the bank in the context of UK ring-fencing. Significant progress has been made on this.</p> <p>As part of wider industry effort, the bank has highlighted issues such as contractual continuity/temporary equivalence for UK CCPs (central counterparties) to the Bank of England/European Central Bank technical working group.</p>

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Bank Representatives	Employees	<p>External benchmarking including Banking Standards Board</p> <p>Team meetings / town halls / audios / webinars</p> <p>Employee Led Networks</p> <p>Our View survey</p> <p>Pulse surveys on key indicators</p> <p>Leadership engagement</p> <p>Employee Advocacy (eNPS)</p> <p>Working Together survey</p> <p>Communications channel metrics</p> <p>Click-thru</p> <p>Search stats</p> <p>User journeys</p> <p>Living Our Values (LOV) nominations</p>	<p>Tools and resources to do the job well</p> <p>Clarity of direction</p> <p>Certainty / role security</p> <p>Consistency</p>	<p>Almost 60,000 colleagues completed our most recent opinion survey (Our View)</p> <p>Key measures of engagement, culture and leadership have improved significantly year on year and we're now above the global financial services norms in all comparable survey categories.</p> <p>The strengthening of our culture was also echoed in this year's improved Banking Standards Board assessment.</p> <p>In 2018 we - retained our position in the Times Top 50 Employers for Women; were recognised again as a Top 10 Employer for Working Families; rated as an Exemplary Level Employer by Carer Positive Scotland; named a Stonewall Global Diversity Champion; Platinum Ranked by Business in the Community for both our Gender and Ethnicity work and upgraded to the Gold Rated Disability Standard for the Business Disability Forum. We were also proud to be named Employer of the Year by Women in Finance 2018.</p> <p>We continue to support our c.20,000-strong colleague led networks.</p> <p>A new Colleague Advisory Panel was established as an additional, and direct channel for the Board to hear colleague views.</p>
	Suppliers	<p>Regular reviews with key suppliers</p> <p>Audit reviews</p> <p>Annual benchmarking survey</p>	<p>Being simpler to do business with</p> <p>Efficient and effective on-boarding of FinTech companies</p> <p>Innovation</p> <p>Supplier sustainability</p> <p>Timely payment</p>	<p>We extended the use of the technology platform Fieldglass to cover third party resource based professional services engagements. Standardising and simplifying the approvals process while at the same time giving us greater control and visibility of this area of spend.</p> <p>We built on work carried out in 2017 to embed our electronic invoicing solution, introducing it as a contractual requirement with suppliers, and reducing paper invoices by 90% across UK and ROI.</p> <p>We introduced electronic contract signatures simplifying the contracting process by removing the need to print out physical copies of the contract for signature.</p> <p>We launched the Supplier Code of Conduct (SCoC).</p>

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	Partners	<p>Supporting our community partners and charities through:</p> <ul style="list-style-type: none"> <li>- Payroll giving</li> <li>- Community Cashback</li> <li>- Employee fundraising</li> <li>- Employee volunteering</li> <li>- Rewards &amp; ATM Giving</li> <li>- Disaster &amp; emergency appeals</li> <li>- Skills &amp; Opportunities Fund</li> <li>- Entrepreneur Accelerator Hubs</li> <li>- Employee mentoring</li> </ul>	<p>Requests to raise awareness of charity and enable employee volunteering and fundraising opportunities</p> <p>Support with customer giving</p> <p>International aid &amp; disasters</p> <p>UK disasters &amp; emergencies</p> <p>Enterprise – start ups</p> <p>Financial capability – fraud and scams</p> <p>Young people and employability</p> <p>Conservation</p>	<p>Over £4.4m donated to charity.</p> <p>Over 100,000 volunteering hours during work time.</p> <p>77,602 young people received financial education through MoneySense workshops in schools.</p> <p>31,637 employees were trained to be ‘Friends Against Scams’ as a result of the bank’s sponsorship of the initiative.</p> <p>3,407 employees claimed a cashback award in 2018 resulting in £849,950 being received by charities.</p> <p>7,120 employees in the UK, Ireland and India donated £2,051,654 to charities through payroll giving. We received the Gold Quality Mark for the UK scheme.</p> <p>With our Reward Accounts, customers can donate their Rewards to ten different charities: Alzheimer’s Society, Barnardo’s, British Heart Foundation, Cancer Research UK, Macmillan, NSPCC, The Prince’s Trust, RNIB, The Disasters Emergency Committee and Sport Relief.</p> <p>In 2018, we facilitated donations of £259,615 through the Reward Account</p> <p>We remained the only bank to offer ATM giving to anyone with a LINK ATM card. A total of 26 charities benefit from this scheme, including RNIB, Oxfam, RSPCA and Cancer Research UK. In 2018, £134,731 was donated through the scheme.</p> <p>In 2018, we supported the Disasters Emergency Committee (DEC) Indonesian Tsunami Appeal raising over £120,000 through our employees and customers.</p>
Investors	Retail Shareholder	<p>AGM</p> <p>Regional shareholder events</p> <p>Communications of annual strategic report</p>	<p>Rights issue</p> <p>Branch closures</p> <p>Government ownership</p> <p>Dividends</p> <p>Return to profitability</p>	<p>In 2018 we held a further two shareholder events in Glasgow and Birmingham. The events gave shareholders the opportunity to engage with our Board. Feedback was positive and we plan to hold more events in 2019.</p>

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	Mainstream Investors	<p>Investor relations briefings</p> <p>Extensive Investor road shows</p> <p>Stakeholder engagement sessions</p> <p>Fireside chats</p> <p>Results presentations</p> <p>Regular engagement with UK Government Investments</p>	<p>Progress towards financial targets</p> <p>Capital distributions</p> <p>Journey to digitalisation</p> <p>Cost reduction</p> <p>Business performance</p> <p>Conduct and litigation legacy issues</p>	<p>The total number of investors met with in 2018 was 520.</p> <p>We have an extensive Investor engagement programme involving both the Senior Execs but also Divisional CEOs and other specialists from relevant areas of interest / businesses that are key drivers of our investment case (i.e. mortgages).</p> <p>We received positive feedback on management capability and delivery.</p>
	Socially responsible investors (SRIs)	<p>Investor road shows</p> <p>Investor webinar</p> <p>Arranging 1:1 engagement calls</p> <p>Stakeholder engagement sessions</p> <p>Completing investor questionnaires</p>	<p>Governance and accountability</p> <p>Climate change (risk and opportunity)</p> <p>Employee engagement, diversity and wellbeing</p> <p>Gender pay gap</p> <p>Sustainable Development Goals (SDGs)</p> <p>Cyber Security</p> <p>Support for enterprise</p>	<p>In 2018, we held meetings with SRI analysts at various institutional investors and also arranged a webinar for both sell-side and buy-side SRI analysts.</p> <p>In addition, we participated in numerous 1:1 calls with investors to answer their questions. We also responded to numerous investor-driven questionnaires and benchmarks.</p> <p>We received positive feedback on the bank's progress on sustainability.</p>