

Terms of Reference

Chair	An independent Non-Executive Director of NatWest Group plc (“NWG”)
Members	At least three independent Non-Executive Directors (including the Group SBC Chair)
Attendees	Group Chair Director, Strategy, Corporate Development and Sustainability Group Chief People & Transformation Officer Chief Communications Officer Director of Sustainable Banking Director of Financial and Strategic Risk
Observers	At the invitation of Group SBC, all Double Independent Non-Executive Directors ¹ shall have a right to attend meetings of Group SBC, subject to appropriate management of any conflicts of interest. The NWH Sub Group comprises NatWest Holdings Limited, The Royal Bank of Scotland plc and National Westminster Bank Plc.
Additional Invitees	The Group Chief Executive Officer has a right of attendance at all meetings. Additional invitees or subject matter experts may be invited to attend or present to the Group SBC at the request of the Chair.
Quorum	Two members
Meeting Frequency	5 committee meetings per annum and ad hoc as required.
Secretary	Corporate Governance
This Committee receives its authority from	Group SBC operates under delegated authority from the NWG Board
Purpose of this Committee	To support the NWG 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 NWG Board in overseeing the process of developing and embedding the Group’s purpose of championing potential, helping people, families and businesses to thrive. It will have a particular focus on overseeing how technology, data and innovation are used to support the customer and be a relationship bank in a digital world.
Scope of this Committee’s oversight and responsibility	<p>1. Purpose oversight</p> <p>1.1 In the context of the Group’s published strategic targets and its commitment to the UN Principles of Responsible Banking, the Group SBC will oversee purpose, specifically:</p> <p>1.1.1 Enterprise</p> <ul style="list-style-type: none"> Receive and debate updates on how the relevant business areas are supporting the Group’s ambition to remove barriers to enterprise and to provide businesses in the UK the support they need to grow; and <p>1.1.2 Climate</p> <ul style="list-style-type: none"> Receive and debate updates on the Group’s progress towards achieving its climate strategy ambitions including being a ‘leading bank in UK helping address the climate challenge’ covering operational, financing and sustainable funding progress.

¹ An individual who is an independent non-executive director of NatWest Holdings Limited (“NWH”) (and any of NWH’s subsidiaries) and not a non-executive director of any other Group entity

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- Review management’s approach to delivery and implementation of climate strategy and supporting our customers in their transition to net zero.
 - Oversee progress on broader environmental themes such as biodiversity, forests and water.

1.1.3 Learning & Capability

- Receive updates on how the Group is becoming a learning organisation that delivers greater financial confidence to customers and future-ready employability providing our colleagues with the capabilities and future skills they need to fulfil their potential.

2. Customers, Conduct and Ethics

- 2.1 Receive updates on actions being taken by management to improve customer service and experience across key customer segments, including digitisation and use of technology to deliver enhanced customer value.
- 2.2 Challenge management on ensuring the Bank’s decisions are Purpose-led, with a focus on stakeholder impact, the social and conduct environment, reputational risk and ethical decision-making.
- 2.3 Consider how culture and use of new technology, innovation, and partnership is used to enhance customer service and drive a one-bank approach.
- 2.4 Receive periodic updates on the health and effectiveness of supplier relations and related supplier topics.
- 2.5 Review and recommend to the Board material updates to NWG’s Modern Slavery and Human Trafficking Statement, and Human Rights Position Statement.
- 2.6 Oversight of the Consumer Duty (the ‘Duty’) on behalf of the Board to assure the Board that the Group is complying with its obligations under the Duty, including oversight of the implementation plan and ensuring the Duty is properly embedded within the Group. The Group Consumer Duty Board Champion will be a member of the Committee

3. People and Culture

- 3.1 Review the progress of the cultural change to building a ‘Purpose-led Bank’.
- 3.2 Oversee the action taken by management to engage today’s workforce and build the workforce for tomorrow by supporting the development of relevant people, technology and innovation related strategies.
- 3.3 Consider key workforce policies and practices (not related to pay) to ensure they are consistent with the Group’s values and support long term sustainable success.

4. Supporting long-term value creation

- 4.1 Receive and consider Management Information which monitors progress against the Group’s purpose priorities.
 - 4.2 Oversee how the Group is monitoring and responding to key threats and opportunities to ensure it maintains a role in the future value chain and stays relevant to customers, particularly in respect of technology, innovation and data capabilities.
 - 4.3 Engage with relevant stakeholders to provide external perspectives and help promote stakeholder voice in the boardroom.
 - 4.4 Focusing on championing potential, helping people, families and businesses to thrive, oversee how the Group responds to investor expectations on ESG
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matters including external sustainability reporting as required, and to peer activity.

- 4.5 Provide advice to the Group Performance & Remuneration Committee on the setting of Executive Director and bank-wide bonus pool performance targets and the assessment of such targets for the ESG areas of People & Culture, Customer and the Purpose pillars while continuing to advocate for sustainable targets within the incentive framework.
- 4.6 Arrange regular effectiveness assessments of its own performance including Terms of Reference reviews, recommending any changes to the NWG Board.
- 4.7 Committee members will ensure that due consideration is given to the Group's Purpose in Committee discussions and decisions.

Escalation

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

ToR last approved on

NWG Board – 27 July 2023
