



NatWest  
Group

# 2021 Statement on Modern Slavery and Human Trafficking.



# Introduction.

## 2021 Statement on Modern Slavery and Human Trafficking.

It's a sad truth that slavery still exists in today's world. Shockingly, there are more people enslaved today than at any other time in history. It's estimated there are more than 40 million people worldwide trapped in slavery<sup>1</sup>, with around 136,000 of them living in the UK<sup>2</sup>. If ever we needed reminded, these figures demonstrate why respect for human rights, and specifically tackling modern slavery and human trafficking, is so important.



**James Holian.**

NatWest Group Director of Financial Crime and Controls, Chair of the Human Rights Steering Group. June 2022.

2021 was a hard and challenging year for many people, particularly those in vulnerable situations, and the first half of 2022 has seen things become more difficult. The economic hardships that resulted from Covid-19 are being exacerbated by the current cost of living crises, deepening inequalities and social divides, threatening so many people's livelihoods and their rights as workers.

Increased conflict, including the war in Ukraine, is leading to millions of people (predominantly women and children) being displaced, putting them in a position of increased vulnerability and exposing them to exploitation. As a result, modern slavery and human trafficking, and businesses' approaches to tackling these, are rightly in the spotlight like never before.

At NatWest Group, we recognise the important role we must play in tackling modern slavery. At the heart of our group lies our purpose to "champion potential – helping people, families and business to thrive". It underpins everything we do. We understand that by championing potential, particularly in terms of higher standards and practices, we can impact millions of people across our value chain in a positive way.

That said, we can't tackle modern slavery alone. Over the last year, we've listened and worked with a range of stakeholders, including non-governmental organisations, charities, think tanks and government bodies, to enhance our detection and prevention mechanisms and to continue to support survivors of modern slavery.

The following statement for year ending 2021 outlines the steps we've been taking and our ongoing plans to try to identify and tackle modern slavery within our own operations, as well as with our customers and suppliers. We have gained greater insight into modern slavery risks since we published our first Modern Slavery Statement but recognise that we're at the beginning of our journey and we still have a lot of work to do to tackle this crime.

Looking forward to the rest of 2022 and beyond, we're determined to work harder to protect the human rights of all people connected to our business. This means continuing to do everything we can to tackle slavery within society and the communities we serve.

### Notes

<sup>1</sup> Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, Geneva, September 2017.

<sup>2</sup> Global Slavery Index, 2018.

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In 2021, NatWest Group continued its journey to becoming a purpose-led bank – to champion potential, helping people, families and businesses to thrive.

As a purpose-led financial institution with 19 million customers, we operate in an ethical manner, actively promoting diversity and inclusion. We support customers when they're vulnerable and play a positive role within communities.

At the centre of our approach is the belief we must have a reciprocal relationship with society, the environment and the communities where we operate. This is because when individuals, families, businesses and communities succeed, we all thrive together.

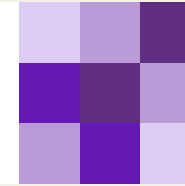
Modern slavery and human trafficking affect an extraordinary number of people and are among the fastest growing criminal industries and the biggest human rights crises of today. As a large financial services institution, we recognise we may be exposed to modern slavery and human trafficking through our own operations, our supply chain and our customer base (including through lending and investments).

Our approach to modern slavery and human trafficking is continuously evolving to ensure we keep pace with the changing external environment. In 2021, we focused our activity around the following areas.

- **Monitoring our supply chain for risks of modern slavery and human trafficking.**
  - In September 2021, we reviewed and updated our Supplier Charter, which outlines our commitments and expectations of suppliers in the area of human rights, including modern slavery.

- We continued to work with EcoVadis to better understand and measure both our own performance and the performance of our suppliers on key sustainability metrics, including the policies and processes in place to identify and tackle modern slavery and human trafficking.
- **Strengthening our activity to tackle human trafficking as a financial crime.**
  - We continued our efforts to combat financial crime and the misuse of our products and services by criminals, taking a proactive approach to financial crime risk.
  - We continued to investigate financial crime and disseminate intelligence to relevant areas of the bank, and externally to enable the better detection and disruption of financial crime.
  - We continued to raise awareness of modern slavery and human trafficking across the bank to enable employees to identify and raise any concerns.
  - We participated in a [Detect and Disrupt podcast](#), which examined the challenges and best practices that businesses can enact to ensure that when they detect signs of modern slavery this crime is swiftly disrupted.

## Executive summary continued.



## 2021 Statement on Modern Slavery and Human Trafficking.

- **Training and raising awareness of modern slavery with colleagues across NatWest Group.**
  - We held a webinar with charitable organisations TRIBE Freedom Foundation and Unseen, which highlighted the realities of modern slavery and the impact on victims, and examined the role the financial services sector can play in tackling the issue.
  - We launched a group-wide e-learning module, created alongside Unseen. The module highlights red flag indicators that colleagues can use to recognise possible signs of modern slavery and provides information on how to report any concerns.
  - We ran an internal campaign to raise awareness of modern slavery with colleagues throughout NatWest Group. The campaign provided colleagues with educational material and information on what activity NatWest Group has put in place to tackle modern slavery, particularly with our financial crime and retail banking operations.

- **Supporting and empowering survivors of modern slavery.**
  - We worked with anti-slavery charity Unseen to develop a bespoke package of support for survivors of modern slavery. The support package aims to give survivors of modern slavery safe and reliable access to a basic bank account. The first bank account was opened in February 2021.
  - Colleagues in NatWest Markets continued their collaboration with the TRIBE Freedom Foundation and raised more than £30,000 to support frontline anti-slavery initiatives in 2021.

- **Engaging with stakeholders.**
  - We continued our engagement with stakeholders throughout 2021, which helped to grow our understanding of modern slavery and changes in the external environment, to make progress towards the delivery of Sustainable Development Goal 8.7<sup>3</sup>.
  - We continued our membership of the Thun Group, the UN Global Compact's Modern Slavery Working Group and Joint Money Laundering Intelligence Taskforce (JMLIT).

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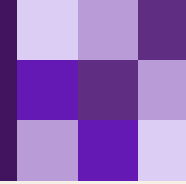
We welcome feedback from all stakeholders. If you would like to get in touch with us, please contact the [Sustainable Banking team](#).

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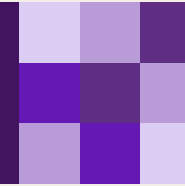
### Note

<sup>3</sup> Sustainable Development Goal 8 Target 7 is to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.



This is our sixth Statement on Modern Slavery and Human Trafficking. It is made in accordance with Section 54 of the UK's Modern Slavery Act 2015 (MSA). This statement applies to NatWest Group and subsidiaries that are subject to the provisions of the MSA. A list of those subsidiaries is provided in the appendix. The statement has been signed by both the chief executive and chairman, and has been approved by the board.

For the purposes of the statement, our definition of modern slavery encompasses slavery, servitude and forced or compulsory labour, human trafficking, sexual exploitation and child labour in accordance with Section 54 (12) (a) of the MSA. This statement covers the financial year ending 31st December 2021.



NatWest Group is a relationship bank for a digital world. We champion potential; breaking down barriers and building financial confidence so the people, families and businesses we serve in communities throughout the UK and Ireland can thrive. With 19 million customers across the UK, we offer a comprehensive range of banking and financial services delivered through well-known banking brands such as NatWest, Royal Bank of Scotland, Ulster Bank and Coutts.

Our parent company is NatWest Group, which is registered in Edinburgh, but we have subsidiaries in various jurisdictions. Details of these subsidiaries and the countries in which they're incorporated can be found in our 2021 [Annual Report and Accounts](#).

We aim to create value for shareholders while having a positive impact on our environment and wider society.

We support our personal, business, commercial and institutional customers with financial services that meet their needs. This includes keeping their funds safe and secure, improving financial capability and supporting enterprise<sup>4</sup>.

### **Our purpose.**

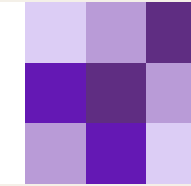
NatWest Group champions potential; helping people, families and businesses to thrive. Because when they thrive, so do we.

Our purpose guides and underpins everything we do. It enables us to build long-term value, to invest for growth, to make a positive contribution to society and to drive sustainable returns for shareholders.

#### Notes

- <sup>4</sup> Our ESG Supplement (p9) provides further information on how we create value for customers and society.

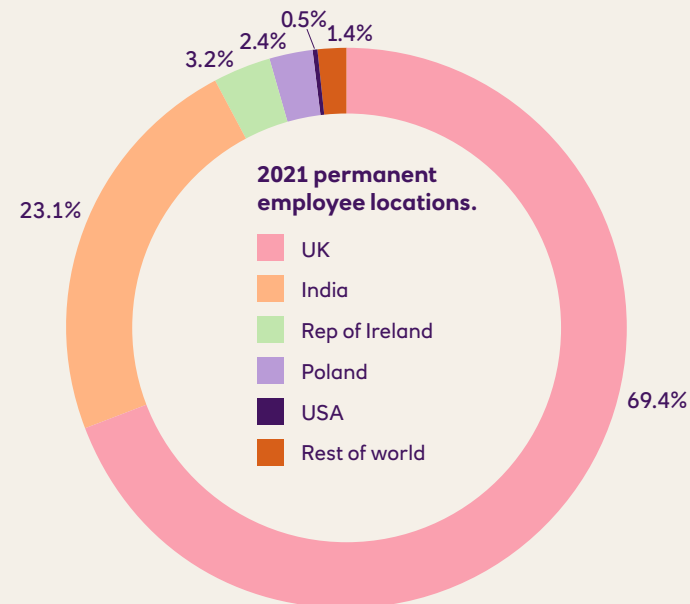
## Organisation structure, business and supply chain continued.



### 2021 Statement on Modern Slavery and Human Trafficking.

#### Our colleagues.

At the end of 2021, we employed 58,500<sup>5</sup> permanent employees globally. In addition, the average number of temporary colleagues employed during 2021 was 2,500<sup>6</sup>. For the recruitment of temporary workers, we only use a small number of pre-approved recruitment agencies. All agencies are contractually required to complete pre-employment screening (PES) on their workers in line with NatWest Group requirements.



The NatWest Group PES policy limits the risk of forced and compulsory labour in our workforce: all newly hired employees, non-employees (contingent workers) and third-party supplier workers undergo background vetting checks before they can join us. These include, without limitation and to the extent legally permissible, identity, right to work, activity, address, credit, criminal, education and fraud checks.

PES enables us to verify the candidate is who they say they are, check their conduct and test their integrity through a declaration of adverse information in accordance with NatWest Group values, confirming there are no legal or regulatory barriers to employing them. When colleagues join us, we aim to provide plenty of support, education and training. We expect colleagues to behave ethically at work and operate in line with Our Code and values, and their failure to do so can result in disciplinary action.

Regular interactions with our employee representatives, such as trade unions, elected employee bodies and works councils, are a vital means of transparency and engagement for us. We frequently use these sessions to discuss developments and updates on the progress of our strategic priorities. For example, in 2021, topics included ways of working and health and safety in the context of the pandemic. Moreover, we're committed

to respecting our employees' right of freedom of association across all our business and we share information about our employee representative bodies with our colleagues on our intranet. Approximately 76% of our employees are covered by a collective agreement and/or employee representative arrangements.

Our Fair Pay Charter sets out NatWest's commitment to pay all colleagues fairly, competitively and transparently, and our Reward Policy is updated according to the current and future needs of the business. In the UK, rates of pay continue to exceed the UK Living Wage Foundation benchmarks. For our major hubs outside the UK, we continue to pay above the minimum and living wage rates in Ireland, as well as exceeding the minimum wage benchmarks in India and Poland.

#### Notes

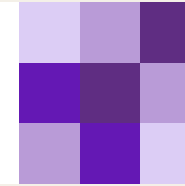
<sup>5</sup> NatWest Group headcount for both continuing and discontinued operations at 31st December 2021, based on global data for active permanent colleagues (including FTC and excl. temps).

<sup>6</sup> Our 2021 Annual Report and Accounts (p315) provides further detail on colleague numbers and locations.

<sup>7</sup> Employee locations are UK (40,600), India (13,500), Rep of Ireland (1,900), Poland (1,400), USA (300) and rest of the world (800).



## Organisation structure, business and supply chain continued.



## 2021 Statement on Modern Slavery and Human Trafficking.

We established a Colleague Advisory Panel (CAP) in 2018, through which our colleagues can engage directly with senior management and the board on topics that are important to them, thereby strengthening the voice of colleagues in the boardroom.

The panel is made up of 28 colleagues who represent employee-led networks, talent programmes, employee representative bodies or are self-nominated. In this way, we ensure the panel is diverse, inclusive and representative of the workforce. The CAP met representatives from the board three times in 2021 to discuss issues such as well-being, remuneration (including executives and the wider workforce), climate, retail banking strategy, sustainability and purpose.

The CAP continues to be highly regarded by those who attend and has proven to be an effective way of establishing two-way dialogue between colleagues and board members. In 2022, we'll review how the board engages with the workforce.

Our colleague opinion survey, Our View<sup>8</sup>, compares responses to questions from colleagues at NatWest Group against the position in other companies, known as the Global Financial Services Norm (GFSN). The 2021 results show colleague sentiment remains strong, despite the pandemic. Lead measures in culture, purpose, inclusion and building capability show continued and sustained year-on-year improvement (+1 percentage

point each) and, across all 15 measured categories, NatWest Group sits an average of 11 percentage points above the GFSN and five percentage points above the Global High Performance Norm<sup>9</sup>.

### Our supply chain.

In support of our operations, NatWest Group purchases goods and services from suppliers. The majority (61%) of our EcoVadis-assessed supply chain head offices are registered in the UK and Ireland. This doesn't account for our wider supply chain. We've no inherent seasonality in our sourcing, either in variation of the goods and services we source or the suppliers from whom we source.

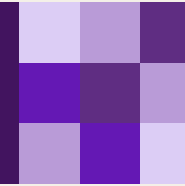
#### Notes

<sup>8</sup> The Our View survey is confidential. NatWest Group only sees results for amalgamated groups of seven or more and it can't be used to identify individuals. More than 46,700 colleagues (81%) participated in the September 2021 Our View survey.

<sup>9</sup> NatWest Group Our View results exclude Ulster Bank Rol.

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## Our approach to addressing modern slavery and human trafficking.



### 2021 Statement on Modern Slavery and Human Trafficking.

Our approach to tackling modern slavery and human trafficking sits within the wider human rights context. We recognise the important role that businesses play in promoting respect for human rights and seek to operate in accordance with the International Bill of Human Rights. Our approach to respecting human rights is guided by internationally accepted human rights standards, including the UN Guiding Principles on Business and Human Rights (UNGPs).

With the Covid-19 pandemic still ongoing, coupled with rising inflation and higher cost of living, we're acutely aware that customers and communities are at a particularly vulnerable point in their lives. Modern slavery crimes have the ability to further damage communities and destroy lives, particularly given their strong links to organised crime. We seek to identify and tackle modern slavery risks connected to our operations and business relationships to help communities thrive.

Furthermore, we've engaged with expert groups and charities regularly throughout the year to help us identify and tackle modern slavery risks. As signatories to the UN Principles for Responsible Banking, we're committed to working with others to make progress towards the delivery of Sustainable Development Goal 8.7, calling for the eradication of forced labour and modern slavery, including through promoting best practice in our own operations and extended supply chain.

We recognise the importance of a collaborative approach to addressing modern slavery across NatWest Group. Our Modern Slavery Working Group is responsible for developing and embedding our commitment to tackle modern slavery into relevant policies and statements. The working group reports to our Human Rights Steering Group and the Chair of the Human Rights Steering Group, who has oversight of all of NatWest's policies

related to modern slavery and has ultimate responsibility for the execution of all the anti-slavery initiatives across NatWest Group.

In addition to embedding our commitment to tackling modern slavery, working group members take part in informal discussions with other organisations and stakeholders, including workshops and webinars, to enhance their knowledge of the issue, share best practice and ensure our approach continues to evolve.

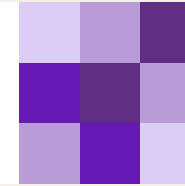


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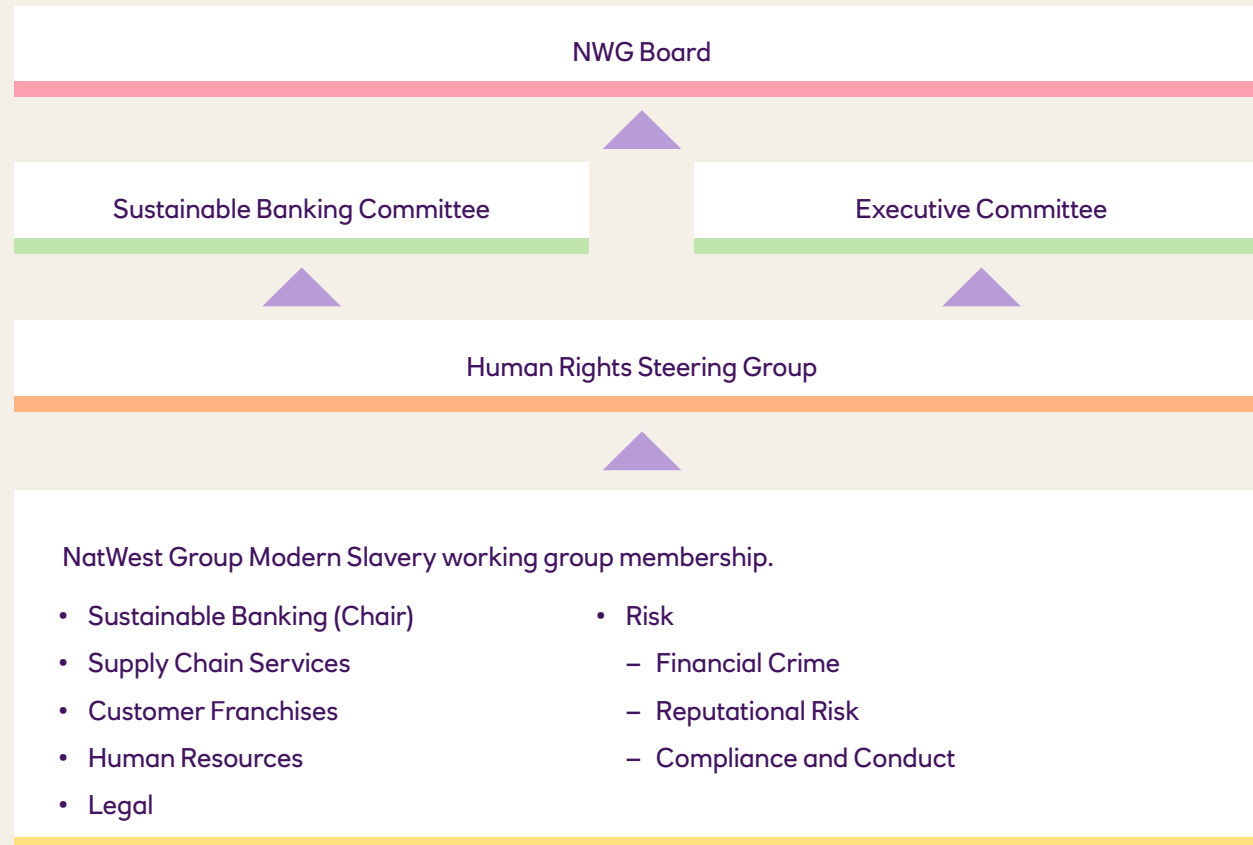
# 4

## Our approach to addressing Modern Slavery and Human Trafficking continued.



2021 Statement on Modern Slavery and Human Trafficking.

Below is an illustration of our Modern Slavery Working Group and the governance process.



### In 2021, we:

- increased the membership of our Modern Slavery Working Group to also include colleagues from our larger subsidiaries, including Royal Bank of Scotland International
- reviewed and updated the terms of reference (ToR) for the working group.

### In 2022, we'll:

- continue to monitor the external environment, paying particular attention to NGO insight and guidance, to further evolve and strengthen our activity in this space.

We understand modern slavery breaches fundamental human rights. NatWest Group has a policy framework that seeks to prohibit instances of modern slavery and human trafficking:

- Our [Code, The NatWest Code of Conduct](#), sets out our purpose and what we expect of each other as colleagues, as well as what our customers, suppliers, shareholders and the communities we're part of expect of us, including our commitment to human rights.
- Our [Yes Check](#) is a key tool in helping guide our thinking and decision-making. Yes Check includes questions to help us consider the perspectives of different stakeholders and the potential impact we could have so we can make the best decision.
- Our [Critical People Capability](#) skills and behaviours describe expectations for all colleagues across NatWest and translate our values into action. The framework is reviewed and approved from a diversity and fairness perspective by The Clear Company.
- Our [Fair Pay Charter](#) supports our commitment to pay competitively and transparently, helping our colleagues perform at their best every day.
- Our [approach to human rights](#) articulates our commitment to the promotion of and respect for human rights within our own operations, through our supply chain, with our customers and in any interactions we have with local communities.
- Our [financial crime policies, procedures, internal systems and controls](#) enable the bank to identify, manage and mitigate financial crime risk, including modern slavery.
- Our [environmental, social and ethical risk management framework](#) comprises policies and processes to give us better insight into our customers' activities and address issues of concern to minimise risks to the bank and manage stakeholder expectations.
- Our [Supplier Charter](#) clearly states that we expect our suppliers to comply with the MSA. It also sets out our wider expectations and, importantly, outlines our own commitments with respect to human rights. Our vision is that if we work together, we can create a supply chain that upholds the highest possible standards in human rights, striving to tackle modern slavery. In addition to the Supplier Charter, as standard, we also signpost suppliers to the MSA by including a bank policy schedule that references modern slavery, human rights, labour standards and whistleblowing into supplier contract negotiations.
- [Speak Up](#) is the bank's whistle-blowing service. The Speak Up policy applies to all employees and those acting on behalf of or representing the bank, such as contractors, subcontractors, suppliers, temporary colleagues, secondees, consultants, interns and volunteers. This also includes any persons formerly in these roles.

## Policies continued.

The Speak Up reporting service allows individuals to report their concerns confidentially (and anonymously, if preferred) about any conduct and behaviour that falls short of our values and code. This reporting service is operated by an independent third party on behalf of NatWest Group. The Speak Up team receives all concerns raised through the service and assesses each case against the Speak Up policy.

All concerns that meet the policy definition are assigned to an investigation team that investigates the allegations raised and, where appropriate, liaises with and refers these to law enforcement. Feedback is shared with the reporter throughout and at the conclusion of the investigation. While as much information as possible is shared, due to confidentiality requirements there are times when detailed information can't be shared to protect the integrity of the investigation or the privacy of individuals being investigated.

The effectiveness of the Speak Up framework, together with trends and themes identified from reports received, is reported on a biannual basis to the NatWest Group Audit Committee. Our 2021 colleague opinion survey has the highest ever score, with 89% of colleagues feeling safe to speak up within their business and 98% knowing how to raise their concerns.

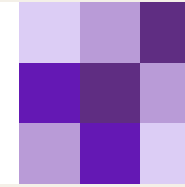
A new question included in the 2021 colleague opinion survey to measure if colleagues believed concerns would be handled appropriately scored 88%.

We continue to review relevant policies to ensure they comply with applicable legislation and support the spirit of the MSA.



### In 2021, we:

- made enhancements to the Speak Up framework, including the implementation of a new reporting system that supported an increase in completion of reporter feedback surveys from 20% in quarter one to 80% in quarter four
- included specific reference to the facilitation of slavery as a concern within our Speak Up policy.

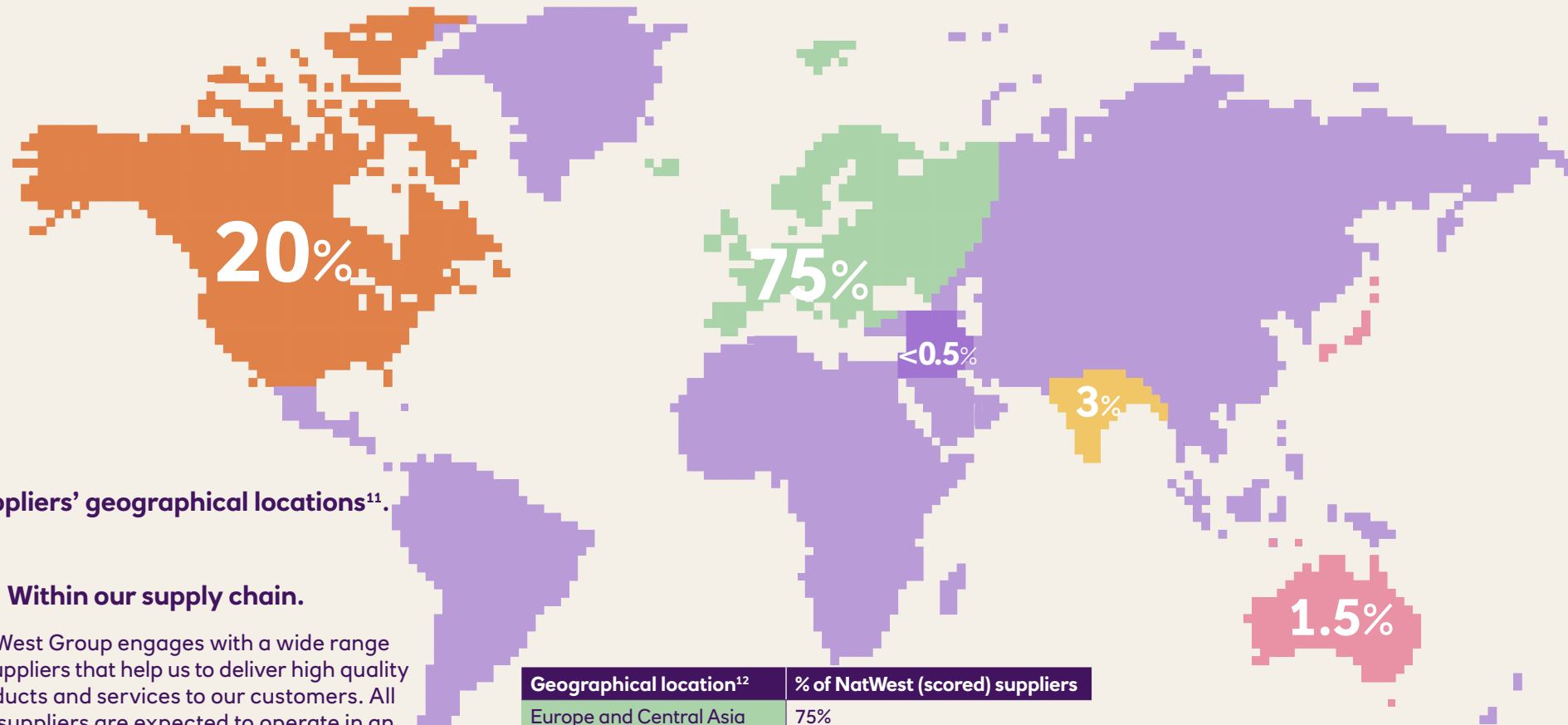


## 2021 Statement on Modern Slavery and Human Trafficking.



### In 2022, we'll aim to:

- develop theme and allegation reporting, including the creation of a specific allegation for 'involvement in human trafficking/slavery' within our whistle-blowing framework
- review the effectiveness of the whistle-blowing framework arrangements through outputs of surveys from colleagues who have used the service and through the annual colleague opinion survey to identify framework enhancements
- review and update our Human Rights Statement, if required.



### Suppliers' geographical locations<sup>11</sup>.

#### 6.1 Within our supply chain.

NatWest Group engages with a wide range of suppliers that help us to deliver high quality products and services to our customers. All our suppliers are expected to operate in an ethical, open and transparent way, and in accordance with applicable laws and regulation. We've no inherent seasonality in our sourcing, either in variation of the goods and services we source or the suppliers from whom we source.

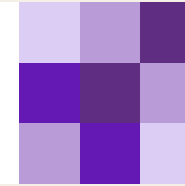
Geographical location <sup>12</sup>	% of NatWest (scored) suppliers
Europe and Central Asia	75%
North America	20%
South Asia	3%
East Asia and Pacific	1.5%
Middle East and North Africa	<0.5%

#### Notes

<sup>11</sup> Snapshot of NWG suppliers assessed by EcoVadis in March 2022 by country/ territory.

<sup>12</sup> The geographic regions are determined by EcoVadis. It organises countries into seven geographic regions – East Asia and Pacific; Europe and Central Asia; Latin America and the Caribbean; Middle East and North Africa; North America; South Asia and Sub-Saharan Africa. The majority of NWG's EcoVadis-assessed supplier base is registered/ headquartered in the UK or Ireland, part of the Europe and Central Asia region.

## Risk assessment and due diligence continued.



### 2021 Statement on Modern Slavery and Human Trafficking.

As a purpose-led business, we foster strong relationships with all our key stakeholders, including our supply chain. By 2022, our ambition is to quantify the impact of all supplier activities through a supplier engagement framework.

In 2020, we introduced our [Supplier Charter](#), replacing our old Supplier Code of Conduct. Our Supplier Charter sets out our aims and expectations in the areas of ethical business conduct, human rights, environmental sustainability, diversity and inclusion, living wage and prompt payment.

Our Supplier Charter states that we expect suppliers:

- to comply with the MSA
- not to use child labour, in accordance with, among others, Article 3 ILO Convention 182, or forced labour, as defined in ILO Convention C029
- to support Sustainable Development Goal 8.7.

Commitment to the Supplier Charter is sought as part of our supply chain tendering process. In 2021, led by NatWest Group's chief administrative officer, and with collaboration from subject matter experts and policy owners, we completed our first annual review of the effectiveness of the charter and its expectations.

### Measuring the sustainability of our suppliers.

Through our Supplier Charter, we've committed to understand and measure our performance and the performance of our suppliers across various areas of sustainability. To help us meet this commitment, we created a new relationship with EcoVadis in 2020 to provide independent, third-party evidence-based assessments of our suppliers' sustainability performance.

EcoVadis assessments will help us measure performance against areas of business conduct and ethical and environmental sustainability, enabling us to identify social, environmental and ethical improvements. One of EcoVadis' four core assessment pillars is labour and human rights, in which it assesses [employee health and safety, working conditions, social dialogue, career management and training, child labour, forced labour and human trafficking, diversity, discrimination and harassment and external stakeholder human rights](#). EcoVadis also monitors specialist media (including but not limited to trade unions, sustainability networks, NGOs, labour watch and local media) to gather news and insights relevant to the assessed entity and sustainability. This helps to ensure the ultimate rating doesn't solely rely on supplier submitted documentation.

We've made significant progress in the first year of working with EcoVadis, with 834 suppliers invited to take part in assessment and 480 rated, representing 88% of our 'in scope' third-party spend being assessed against environmental, social and governance (ESG) credentials.

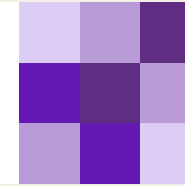
### Our suppliers – due diligence.

We encourage suppliers to implement the standards of the Supplier Charter with their own subcontractors. Contractually, we require suppliers to comply with applicable laws and regulations. In addition to the Supplier Charter, as standard, we also signpost suppliers to the MSA by including a bank policy schedule that references modern slavery, human rights, labour standards and whistleblowing into supplier contract negotiations.

In addition, our supplier tender process includes specific questions in relation to the MSA and ILO conventions.

# 6

## Risk assessment and due diligence continued.



### 2021 Statement on Modern Slavery and Human Trafficking.

Supplier review meetings conducted as part of ongoing contract management have a standing agenda point to discuss the Supplier Charter, which includes modern slavery and human rights issues. Non-compliance with the bank policy schedule in our standard supply contracts, which includes modern slavery, is raised through the bank's operational risk process and dealt with on a case by case basis. This includes engaging with the supplier to identify potential remediation measures.

In 2021, there were no known instances of suppliers failing to meet their commitments in relation to the Modern Slavery Act.

Our whistle-blowing service, Speak Up, is also available to suppliers, enabling them to report unethical conduct with regards to their relationship with NatWest Group. Speak Up is brought to suppliers' attention through their contract with us and the Supplier Charter. Of the 415 reports received in 2021, five cases were raised by a supplier or a contractor: none related to modern slavery.



#### In 2021, we:

- made significant progress in our first year of working with EcoVadis, inviting 834 suppliers to take part in assessment and rating 480
- continued our commitment on prompt payment to suppliers. During the Covid-19 pandemic, we moved all suppliers on to immediate payment on receipt. While this was initially a short-term response, we've maintained this payment model as it resonated with our purpose. We also hope it encourages our suppliers to progress to a shared vision
- reviewed and updated our Supplier Charter.



#### In 2022, we'll:

- hold an awareness-raising training webinar for supply chain managers with Stop the Traffik to provide a better understanding of modern slavery, how to spot the signs and report any suspicions or concerns.

### 6.2 Within our customer base.

As a bank, we transfer, lend, invest and protect the money of our customers both in the UK and abroad.

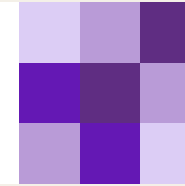
Through our customers' activities, we understand there's a risk we might indirectly be exposed to incidents of modern slavery. As a result, we have built modern slavery considerations into policies and due diligence processes covering our retail and commercial customers and clients, which seek to identify and prevent any instances of modern slavery.

#### 6.2.1 Tackling modern slavery as a financial crime.

We understand tackling financial crime is the right thing to do and seek to combat financial crime by taking a proactive approach. In the context of modern slavery specifically, our Threat Mitigation Unit (TMU) investigates and disseminates intelligence on financial crime to key areas of the bank to enable the better detection and disruption of threats to the bank. In 2021, the TMU continued to share intelligence regarding modern slavery, enabling employees to raise suspicious activity reports and, where appropriate, terminate relationships.



## Risk assessment and due diligence continued.



### 2021 Statement on Modern Slavery and Human Trafficking.

We recognise we can't tackle modern slavery in isolation and actively collaborate across the private sector, as well as with government, NGOs and law enforcement. We're active members of the Public Private Operational Board (led by the National Economic Crime Centre), which drives partnership work through the JMLIT and other groups to tackle economic crime. One of the groups focuses on tackling the laundering of the proceeds of human trafficking and organised immigration crime.

#### Case study: identifying modern slavery perpetrators.

TMU developed a modern slavery dashboard with data and analytics to proactively identify customers involved in laundering the proceeds of sexual exploitation. This uncovered a business customer trading under the guise of an advertising company, reselling adverts on adult service websites on behalf of organised criminals suspected of sexually exploiting women. As a result, a new typology was discovered and a disclosure was made to the National Crime Agency. Our relationship with the customer was immediately terminated.



#### In 2021, we:

- participated in a Detect and Disrupt podcast in January, which examined the challenges and best practices that businesses can enact to ensure that when they detect signs of modern slavery and human trafficking these crimes are swiftly disrupted
- continued to raise suspicious activity reports and where appropriate ended relationships that demonstrated modern slavery and human trafficking indicators.



#### In 2022, we'll aim to:

- finalise the 2021 work with our data and analytics colleagues and external stakeholders to enhance our ability to detect activity indicative of modern slavery and human trafficking through proactive detection
- continue to build intelligence through the work of our TMU and with industry bodies representing sectors that are vulnerable to modern slavery.

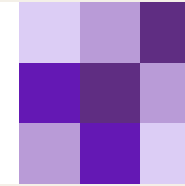
#### 6.2.2 Assessing and managing risk through our environmental, social and ethical risk framework.

We recognise the activities of our customers can have environmental, social and ethical (ESE) impacts, including the potential for human rights and modern slavery infringements. To help us assess and manage these risks, we have an ESE risk framework comprising policies and processes that give us better insight into our customers' activities and address issues of concern.

The ESE risk framework forms part of the bank's overall reputational risk policy and requires enhanced due diligence to be performed for customers operating in high-risk ESE sectors.

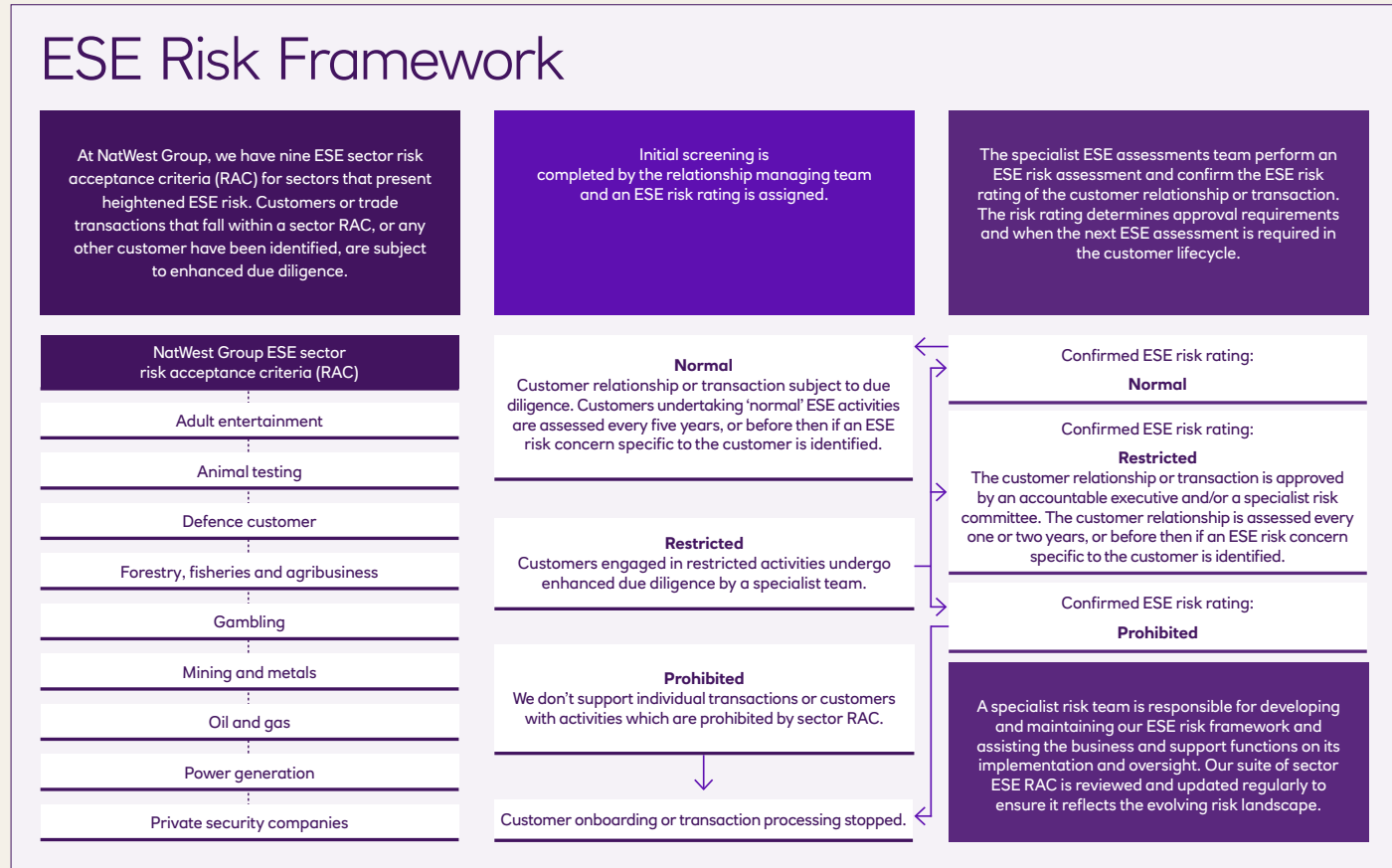
ESE sector risk acceptance criteria (RAC) apply to all legal entities within NatWest Group and define the level of ESE risk the bank is prepared to accept. This includes having relevant policies and procedures that demonstrate a good understanding of ESE issues and the capacity to manage these risks, including modern slavery and human rights risk. Our policies reflect applicable national and international laws, and confirm we expect our customers to adhere to local and international social and human rights standards. They also incorporate voluntary standards such as the Equator Principles and the UN Global Compact.

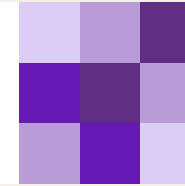
## Risk assessment and due diligence continued.



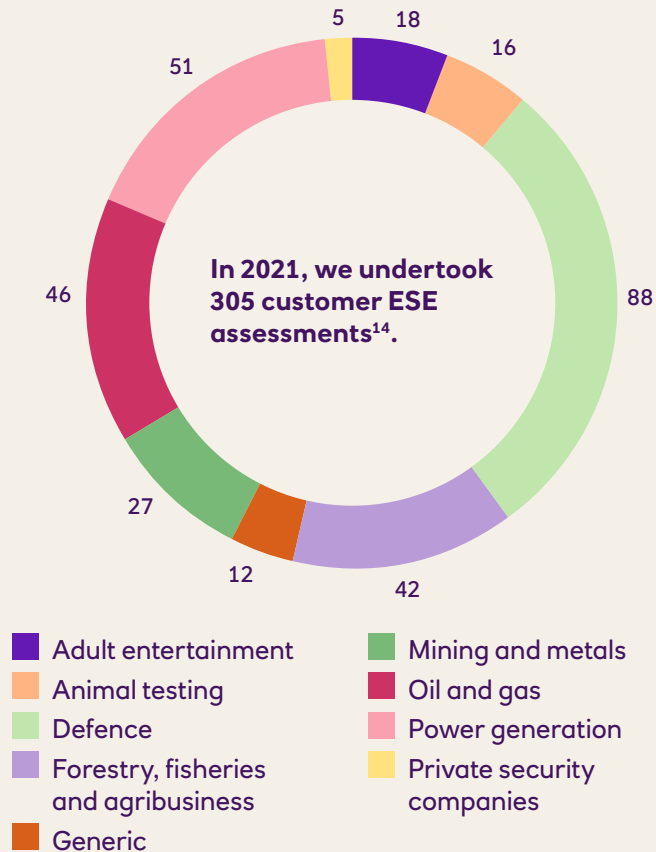
We also have a process to escalate ESE risk concerns in other sectors that aren't among the nine listed to the right and on the next page. The ESE risk concerns process can be used to escalate modern slavery concerns. Under this process, additional due diligence is conducted to understand the concerns and support risk decision-making.

A breakdown of the sectors assessed using our ESE framework is on the right.





#### Customers assessed against the ESE policy in 2021 by sector.



#### ✓ In 2021, we:

- undertook 305 commercial customer ESE due diligence assessments and 108 trade-related transactions involving defence equipment.

#### 🎯 In 2022, we'll aim to:

- continue work to separate the forestry, fisheries and agribusiness ESE RACs into two separate RACs – forestry and agribusiness plus fisheries and aquaculture – and contain specific provisions around forced labour, recognising the heightened risks within the sectors
- conduct an ESE sector review on the adult entertainment sector as part of the standard review cycle. This will consider any changes to risk profiles including heightened risk of modern slavery.

**Notes**  
<sup>14</sup> This figure covers customer relationship and transaction assessments for ESE risks. It doesn't cover assessments made only in relation to modern slavery and human trafficking. The NWG 2021 ESG Supplement provides further information on our ESE risk management framework.

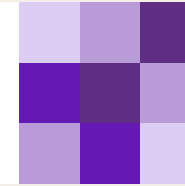
#### 6.2.3 Tackling modern slavery by investing responsibly.

Coutts & Co, which is part of NatWest Group, became a certified B Corporation (B Corp)<sup>TM</sup> in 2021. We invest across both developed and developing markets, with the ability to invest in equities, fixed income and derivatives. We recognise that, as a global investor, we can have exposure through our investment portfolios to securities and/or debt in sectors or markets where there's risk of modern slavery. We've therefore put in place an ESG policy and specifically seek to tackle modern slavery and human trafficking through our voting and engagement and third-party fund selection process.

##### Voting and engagement.

- We place a strong emphasis on the importance of voting and engagement in the companies of which we are shareholders, focusing on ESG and sustainability issues.
- We've worked with EOS at Federated Hermes since 2016 to strengthen the impact of these stewardship activities. We use their size and resources to exert influence on the companies in which we're invested.
- We have an engagement focus in 2021-22 to ensure human rights and labour rights remain in the spotlight following the coronavirus pandemic. We also continue to support the corporate application of the UNGPs to protect and respect human rights.

## Risk assessment and due diligence continued.



### 2021 Statement on Modern Slavery and Human Trafficking.

#### Due diligence and third-party fund selection.

As part of our commitment to the fight against modern slavery, we continuously work to improve how we monitor and assess progress as part of our due diligence process. We ensure all third-party fund managers within our discretionary managed portfolios complete a dedicated responsible investing questionnaire, covering topics such as their:

- exposure to severe controversies, including UN Global Compact violations, and what they're doing about it
- human rights commitments
- firm-wide responsible investing policy and ESG commitments.

Using this information, our fund research team analyses how responsive third-party fund managers are to these issues and their commitments to abolishing modern slavery. We then engage directly with funds that we decide could be more proactive.

In 2021, we took decisive action to exclude certain companies from our passively Coutts managed ESG Insights funds<sup>15</sup> that were demonstrating a disregard for human rights, labour rights and environmental issues. We enhanced our investment [exclusion policy](#) to exclude companies that have violated the UN Global Compact, UNGPs and ILO conventions<sup>16</sup>.

Overview of norms and conventions	
<b>UN Global Compact compliance</b>	<ul style="list-style-type: none"> <li>• Human rights</li> <li>• Labour rights (core)</li> <li>• Environment</li> <li>• Bribery and corruption</li> </ul>
<b>Human rights compliance – UNGPs</b>	<ul style="list-style-type: none"> <li>• Human rights</li> <li>• Labour rights (core)</li> </ul>
<b>Labour compliance – broad</b>	<ul style="list-style-type: none"> <li>• Child labour</li> <li>• Discrimination</li> <li>• Health and safety</li> <li>• Forced labour</li> <li>• Collective bargaining</li> <li>• Working hours</li> </ul>
<b>Labour compliance – core</b>	<ul style="list-style-type: none"> <li>• Child labour</li> <li>• Forced labour</li> <li>• Discrimination</li> <li>• Collective bargaining</li> </ul>



#### In 2021, we:

- took decisive action to exclude companies from our passively Coutts managed ESG Insights funds that were demonstrating a disregard for human rights, labour rights and environmental issues, including modern slavery.

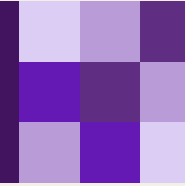
Our exclusions policy is applied across investments where we have direct control, as documented in our [exclusions policy](#). However, as part of our investment approach we also have exposure to third-party funds. Where this is the case, we monitor the fund's compliance with global norms around human rights and modern slavery as part of our investment due diligence process and we actively engage with fund managers that we invest in, but we are not always able to ensure that third-party funds comply with our exclusions policy. Where issues are identified, we flag this with the fund manager and make clear our position on human rights and modern slavery.

#### Notes

<sup>15</sup> Coutts US ESG Insights Equity Fund, Coutts Europe Ex UK ESG Insights Equity Fund and Coutts UK ESG Insights Equity Fund.

<sup>16</sup> Using both the core and broad ILO principles and conventions.

# 7 Training and raising awareness of modern slavery and human trafficking.



## 2021 Statement on Modern Slavery and Human Trafficking.

NatWest Group is committed to raising awareness of modern slavery and human trafficking with our colleagues. We do this in several ways, including by providing information around warning signs and red flags that may indicate signs of human trafficking or modern slavery, to help them understand that victims may often be hidden in plain sight.

We also ensure our colleagues have access to educational materials about modern slavery via our intranet<sup>17</sup>. Using our internal platform Workplace, we share best practices, news and insight on modern slavery.

Modern slavery content is included in some of our mandatory e-learning modules. Our Responsible Investment e-learning module, for example, contains a case study on modern slavery and is completed by colleagues working within our wealth function on an annual basis. In addition, we launched a stand-alone modern slavery e-learning module in 2021, which is available to all colleagues. The module was created alongside Unseen and highlights red flag indicators that colleagues can use to recognise possible signs of modern slavery and provides information on how to report concerns.

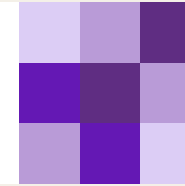
In addition to the e-learning module, we held an awareness raising webinar ahead of Anti-Slavery Day that outlined the realities of modern slavery and how colleagues can report any suspicions or concerns they have about an individual.

### Notes

<sup>17</sup> This page is updated at least annually.

# 7

## Training and raising awareness of modern slavery and human trafficking continued.



2021 Statement on Modern Slavery and Human Trafficking.



### In 2021 we:

- held an awareness raising webinar with the TRIBE Freedom Foundation and Unseen, highlighting the realities of modern slavery, the impact on victims and examined the role the financial services sector can play in tackling modern slavery

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- created a stand-alone modern slavery e-learning module, which is available to all colleagues

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- ran an internal campaign to raise awareness of modern slavery throughout NatWest Group. The campaign provided colleagues with educational material and information on what activity NatWest Group has put in place to tackle modern slavery.



### In 2022, we'll aim to:

- update our e-learning module and create additional advanced content for those colleagues who are more likely to encounter modern slavery in their day-to-day roles

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- hold a group-wide webinar around World Day Against Trafficking of People (30th July) to provide information on modern slavery and how colleagues can report any concerns.

## 8

## Measuring effectiveness.

### 2021 Statement on Modern Slavery and Human Trafficking.

We continue to evolve the way we identify and mitigate modern slavery risks, and measure the effectiveness of our policies through this framework. In our 2020 statement, we proposed a range of activities that we aimed to put in place in 2021.

We made progress on the majority of these activities. The activity not fully achieved relates to separating our forestry, fisheries and agribusiness ESE RACs into separate RACs. This activity was postponed as we concentrated on other sector reviews. We are, however, committed to creating a forestry and agribusiness alongside a fisheries and aquaculture RAC in 2022, and to reporting progress in next year's Statement on Modern Slavery and Human Trafficking.

We recognise modern slavery is a hidden crime and therefore measuring the effectiveness of our response is difficult. As our approach continues to evolve, so too will our year-on-year monitoring.

We currently use the following selection of metrics to evaluate our performance.

Area	KPI	2020	2021
<b>Colleague training</b>	Number of colleagues who completed the stand-alone modern slavery e-learning module	N/A	324 <sup>18</sup>
	Percentage of colleagues who completed the mandatory Speak Up e-learning module	100%	100%
<b>Commercial customer due diligence</b>	Number of customer ESE assessments undertaken	140	305 <sup>19</sup>
<b>Retail customers</b>	Number of bank accounts opened for survivors of modern slavery	N/A	9 <sup>20</sup>
<b>Suppliers</b>	Number of suppliers who have completed an EcoVadis assessment and received a rating	N/A	480
<b>Reporting</b>	Number of incidents of modern slavery reported through Speak Up	0	0

#### Notes

<sup>18</sup> The colleague e-learning module was launched in October 2021. The figure reported therefore represents the number of colleagues trained during the period October-December 2021.

<sup>19</sup> This figure covers customer relationship and transaction assessments for new and existing customers for ESE risks. It doesn't cover assessments made only in relation to modern slavery and human trafficking. The NWG 2021 ESG Supplement provides further information on our ESE risk management framework.

<sup>20</sup> This figure represents the number of bank accounts we've opened for survivors who have been referred to us by Unseen. We may have opened additional accounts for a customer who didn't make us aware of their survivor status through our banking facilities for all process.

We understand we can't tackle modern slavery alone and that working with others and establishing a collective, coordinated and sustained effort is imperative.

We therefore engage with a variety of stakeholders including other businesses, the UK Government, law enforcement agencies, NGOs, charities and communities, which enables us to keep abreast of changes in policy and growing our understanding of issues.



### In 2021 we:

- remained members of the Thun Group, an informal group of banks that seek to support the integration of the UNGPs into the policies and practices of financial service organisations

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- remained members of the UN Global Compact's UK Modern Slavery Working Group and the JMLIT

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- continued to engage with a range of charities and think tanks including Unseen, Stop The Traffik, and the TRIBE Freedom Foundation.



## Supporting survivors and removing barriers to financial services.

2021 Statement on Modern Slavery and Human Trafficking.

We understand access to a bank account allows the most vulnerable people in society – including those at risk of forced labour – to better safeguard their finances, save for the future, increase their chances of finding employment and stop them from falling back into slavery.



### In 2021, we worked with with anti-slavery charity Unseen to:

- gain a better understanding of modern slavery and how it might present itself within the UK
- understand recent developments in the external environment, including the impact of Covid
- upskill colleagues to recognise possible signs of modern slavery and provide information on how to report any concerns
- help survivors of modern slavery access a bank account.

Throughout 2021, we worked with Unseen to understand the issues many survivors of modern slavery face when attempting to access financial services, including their limited access to standard identification documents required for account opening purposes. Based on this understanding, we created a tailored process to help survivors open a bank account and access telephone/ internet banking. Alongside the account opening process, we provided bespoke and ongoing support to survivors through a dedicated team of customer support specialists. We also worked alongside Unseen to create a short question and answer video, which contained information on opening a bank account, budgeting and how to keep money safe and secure, to help survivors of modern slavery become more financially confident.

In addition to our work with Unseen, colleagues in NatWest Markets continued to support the TRIBE Freedom Foundation and, for the third year running, undertook fundraising activity, raising more than £30,000 to help support frontline anti-slavery projects.



This statement was drafted and developed by our Modern Slavery Working Group.

It was noted by the Human Right Steering Group, the Executive Disclosure Committee and the Executive Committee.

It was presented to the Sustainable Banking Committee on 20th June 2022, approved by the Board of NatWest Group plc on 22nd June 2022 and signed by Alison Rose, Chief Executive of NatWest Group plc, and Howard Davies, Chairman of NatWest Group plc on 28th June 2022.

**Signed on behalf of NatWest Plc and its relevant subsidiaries.**



**Alison Rose**

Chief Executive, NatWest Group plc.

Date: 28th June 2022



**Howard Davies**

Chairman, NatWest Group plc.

Date: 28th June 2022

**A. List of NatWest Group plc subsidiaries (“NatWest Group”) required to have a modern slavery and human trafficking statement under the Modern Slavery Act 2015.**

Ulster Bank Limited

RBS Invoice Finance Limited

Coutts & Company

NatWest Markets Plc

National Westminster Bank Plc

The Royal Bank of Scotland Plc

Lombard North Central PLC

Lombard Business Leasing Limited

JCB Finance Limited

The Royal Bank of Scotland International Ltd

NatWest Markets N.V.

Ulster Bank Ireland DAC

RBS Services India Private Limited

**B. List of NatWest Group plc subsidiaries that have previously been required to have a modern slavery and human trafficking statement under the Modern Slavery Act 2015 but no longer meet the criteria.**

RBS AA Holdings (UK) Limited

RBS Collective Investment Funds Limited

**C. Other information and useful links.**

**More information about our approach to sustainable banking is available on our website.**

[NWG approach to business, human rights and modern slavery](#)

[Sustainable Banking](#)

[Annual Report and Accounts](#)

[Supplier Charter](#)

[Detecting and preventing financial crime](#)

[Managing environmental, social and ethical \(ESE\) risk](#)

[Our Code](#)

[Working at NWG](#)

[ESG Supplement](#)

