Carbon Reduction Plan

Supplier Name: NatWest Group plc
Publication Date: 17th February 2024
Scope of Publication: Within this Carbon Reduction Plan, we cover our Scope 1, 2 and 3 carbon emissions relating to our Own Operations activities within the UK, including our offshore operations. Scope 3 emissions disclosed here are in line with PPN 06/21 requirements and covers categories 4, 5, 6, 7 and 9; the reported value therefore differs to that in our SECR UK Own Operations table which covers a different range of categories in line with the NatWest Group reporting.

Contents

Introduction

NatWest Group plc is publishing this carbon reduction plan (the "Carbon Reduction Plan") as specified under the Procurement Policy Note (PPN) 06/21 of the UK Government (*Taking Account of Carbon Reduction Plans in the procurement of major government contracts*). Within this Carbon Reduction Plan, we cover our Scope 1, 2 and 3 carbon emissions relating to our Own Operations activities within the UK, including our offshore operations. Scope 3 emissions disclosed here are in line with PPN 06/21 requirements and cover categories 4, 5, 6, 7 and 9; the reported value therefore differs to that in our SECR UK Own Operations table, published in our 2023 Annual Report and 2023 Climate-Related Disclosure Report, which covers a different range of categories in line with the NatWest Group reporting, this covers Scope 3 categories 5, 6 + 7 as well as paper and water. Our reporting is in tonnes of carbon dioxide equivalent (tCO_2e) and therefore covers all relevant greenhouse gases compliant with the Greenhouse Gas Protocol methodology requirements.

Commitment to Achieving Net Zero

Our climate ambition is to be a leading bank in the UK, helping address the climate challenge. We have an ambition to be net zero by 2050 across our financed emissions, assets under management (AuM) and our operational value chain[1] covering Scopes 1, 2 and all relevant categories in Scope 3.

For our own operations, net zero means aiming to reduce our operational value chain by a minimum 90% reduction by 2050 against a 2019 baseline. We plan to neutralise the residual 10% using carbon credits in line with 'SBTi Corporate Net Zero Standard' released in October 2021.

During 2023, we focused on activities with the potential to contribute towards our ambition to reduce our direct own operations by 50% by 2025, against a 2019 baseline, as well as making progress against our SBTi validated 2030 targets. We achieved a 54% reduction against a 2019 baseline in our Scope 1 and Scope 2 location-based emissions and will continue to pursue further decarbonisation towards our 2050 net zero ambition as we implement and refine our Climate transition plan. Activities with the potential to contribute towards the achievement of our own operational value chain 2050 net zero ambition are shown in figure 1, split into our areas of impact: our emissions in Scope 1 and location-based scope 2, Scope 3 emissions and investing in further impacts. All activity continues to be supported by a focus on continuous data improvement.

Across our global operations, in 2023 our direct own operations[16] emissions are 131,100T CO2e and have reduced by 47%, and we purchased and retired 120,000 carbon removal credits, assured under the Verified Carbon Standard (VCS), and Triple Gold certified to the Climate, Community & Biodiversity Alliance Standards (CCBA) to invest beyond our value chain, and provide benefits to climate, especially those that generate additional co-benefits for people and nature.

NatWest Group is therefore committed to achieving Net Zero carbon by 2050. For further information on this, please see our Climate Disclosure Report available on NatWest.com.

[1] Our operational value chain captures greenhouse gas emissions Scopes 1, 2 and 3 (Categories 1-14, excluding Categories 8, 10, 14). For Category 15, please see section 5.5 of our 2022 climate-related disclosure report on NatWestGroup.com

[16] NatWest Group defines direct own operations as our Scope 1, Scope 2 location-based and Scope 3 (paper, water, waste, business travel, commuting and work from home) emissions, therefore excluding the upstream and downstream emissions from our value chain. We have reduced these total direct own operations emissions by 47%, with the scope 1 and scope 2 location-based contribution reducing by 54% compared with the 2019 baseline.

Our ambition is to be net zero for our operational value chain[1] by 2050[2]

	Key activities	2023 highlights (refer to pages 42 – 44 for further detail)
50% reduction Scope 1 and location-based Scope 2 tCO_2e 2019 – 2030	• Decarbonise our buildings while increasing their energy efficiency and reducing our energy consumption. • Optimise our portfolio and increase resilience to climate change. • Continue to pursue further options for decarbonisation.	**We have achieved a 54% reduction in emissions 2019 – 2023** • We opened our new office in Spinningfields, which has been awarded the RICS SKA gold accreditation, achieving the highest level of sustainable fit out using the rating method, with an EPC improvement of a D to a B. Incorporating technology and innovation into the design including removing all gas operations has enabled Spinningfields to be our new flagship building for sustainability. • We have also invested across the portfolio in technologies such as building management systems and LED lighting, driving further reductions and improving EPC ratings, please see page 25 for more detail.
50% reduction Scope 3 tCO_2e 2019 – 2030	• Reduce the impact of our supply chain, increase supplier specific data and engagement with suppliers. • Increase sustainable travel by honouring EV commitments on chargers and fleet electrification as well as halving our 2019 travel emissions. • Transition to a circular economy reducing waste and diverting it from landfill and incineration where possible.	**We have achieved a 26% reduction 2019 -2023** • The Supplier Decarbonisation Programme completed a pilot with a small sample of suppliers. Supply chain services also continued to work with a third party to evaluate our supply chain using evidence-based assessments of sustainability performance to understand the most effective way to meet our goals and embed our climate focus across our supply chain. • Our Supplier Charter has been updated to provide clear guidance on what we expect from our suppliers on ESG matters when working with us.
Investing in further impacts	• Invest beyond our value chain[3] in nature by maintaining a balanced portfolio, procuring high-quality carbon credits to invest beyond our value chain while reviewing biodiversity opportunities. • Continue to consume 100% renewable electricity from 2023 and add additional renewable sources to the grid.	**We have retired 120,000 nature-based carbon removal credits[4]** We have also begun action to decrease our reliance on the carbon credit market by funding our own projects. At the end of 2023 we invested in a woodland creation on the Traquair House estate in Scotland, which will supply approximately 66,000 Woodland Carbon Units to be added to our blended portfolio.

The delivery of our Own Operations climate ambitions and associated climate transition plan is dependent upon a range of factors including:

- Voluntary decarbonisation of organisations within our supply chain.
- Availability and cost of renewable electricity certificates as well as carbon credits.
- Availability and cost of technology such as degassed heating and the supply chains required to support delivery.

Figure 1 Own operations climate transition plan. For further details and information please see our 2023 climate-related disclosure report, available on NatWest.com.

[2] For our own operations, net zero means aiming to reduce these operational value chain emissions by a minimum 90% reduction by 2050 against a 2019 baseline. We plan to neutralise the residual 10% using carbon credits in line with 'SBTi Corporate Net Zero Standard' released in October 2021.

[3] The SBTi recommends that companies invest to mitigate emissions beyond their value chain while they transition towards a state of net-zero emissions. In accordance with the Greenhouse Gas Protocol, our absolute emission reductions of 50% Scope 1+2, 50% Scope 3 and 90% by 2050 are not achieved through the use of carbon credits.

[4] The project is assured under the VCS and Triple Gold certified to the CCBA to invest beyond our value chain, and generates carbon removal credits from increased sequestration of carbon in the soil through sustainable grazing patterns in partnership with communities in grassland areas. The project measures impact, estimates ecological leakage and assesses risk. The project adheres to VCS Standard 4.3, Section 3.18 Safeguards requirements and methodology VM0032.

Own Operations reporting boundary and scope[1]:

Scope of Direct Operations[16]

Scope 1

All

Scope 2

All

Scope 3

Category 1: paper and water only

Category 5: waste (UK and RoI)

Category 6: business travel

Category 7: employee commuting and working from home

Scope of Our Upstream Operational Value Chain

Scope 3

Category 1: all purchased goods and services

Category 2: capital goods

Category 3: fuel and energy related activities not in scope 1 or 2

Category 4: upstream transportation and distribution, such as our postage

Scope of Our Downstream Operational Value Chain

Scope 3

Category 9: downstream transportation and distribution, such as customers commuting to and from our facilities

Category 11: use of sold products, such as debit or credit cards used by our customers

Category 12: end of life treatment of sold products, such as disposal of credit cards

Category 13: downstream leased assets

Preliminary data and limitations

In 2023, we began our supplier data improvement journey for our emissions estimates, transitioning from a fully spend-based approach to a hybrid approach. This uses supplier- specific data, where it is available, for our top 80% of spend, topping-up with spend-based data where more accurate disclosed data is not available. This means that our 2023 supplier footprint is now 18% supplier specific data. As a result, our Category 1, 2 and 4 emissions for 2019 have been re-baselined in line with recommended best practice as the changes exceeded our 5% materiality threshold, driving a reduction in 2019 emissions from those reported historically.

Data improvement programmes to review our preliminary estimations may cause these figures to be updated in the future.[5]

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[5] Further detail about data improvements, limitations and cautions can be found in the 2023 Climate-Related Disclosure Report, available https://investors.natwestgroup.com

Baseline Emissions

Baseline emissions are a record of the greenhouse gases that have been produced in the past prior to the introduction of any strategies by NatWest Group to reduce its greenhouse gas emissions. Baseline emissions are the reference point against which emissions reduction can be measured. NatWest Group define our baseline year as 2019.

Baseline Year – 2019[6]	
Greenhouse Gas (GHG) Emissions	**UK and Offshore[7] Total (tCO_2e)**
Scope 1	**17,959**
Scope 2 (location-based)	81,815
Scope 2 (market-based)	13,217
Scope 3 (waste generated in operations; business travel; employee commuting; upstream transportation and distribution; downstream transportation and distribution)	**124,435**
Total Emissions (location-based)	**224,209**
Total Emissions (market-based)	**155,611**

Table 1 Baseline greenhouse gas emissions covering the period between October 2018 - September 2019 for our Own Operations in the UK and Offshore Area.

The historic values reported in the table above may be updated from values we reported in 2023. This is due to updated bills, data provision and extrapolations. Further, future data is subject to change following any significant change to our business size and scope, as baseline recalculation may result in differing emissions reductions.

[6] Our reporting period covers October 2018 - September 2019.
[7] Offshore area as defined in The Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018.

Additional Details Relating to the Baseline Emissions Calculations

Reporting of emissions is done at NatWest Group level, however for the purposes of this plan and PPN 06/21 requirements this Carbon Reduction Plan focuses on UK (including offshore) operations. We have reported on all emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Our emissions baseline year runs from October 2018 – September 2019. The emissions reporting boundary is defined as all entities and facilities either owned or under our operational control.

Emissions reported have been calculated using the Greenhouse Gas Protocol Corporate Standard and associated guidance and include all greenhouse gases, reported in tonnes of carbon dioxide equivalent (tCO_2e) and global warming potential values which cover UK (including offshore) operations for:

- Scope 1 emissions from fluorinated gas losses and fuel combustion in NatWest Group premises/ vehicles.
- Scope 2 emissions from electricity, district heating and cooling used in NatWest Group premises.
- Scope 3 emissions associated with waste generated in operations; business travel; employee commuting; upstream transportation and distribution; downstream transportation and distribution.

When converting data to carbon emissions, we use Emission Factors from UK Government Emissions Conversion Factors for Company Reporting (Department for Business, Energy & Industrial Strategy, 2023), CO_2e Emissions from Fuel Combustion (International Energy Agency, 2022) or relevant local authorities as required. NatWest utilises a third-party software system, to capture and record the Group's environmental impact and ensure that control framework and assurance requirements are met. All data is aggregated at a regional level to reflect the total regional consumption. The regional consumption results are then collated to reflect the total NatWest Group footprint. CO_2e values are attributed to these sources via an automatic conversion module in the third-party system. For more information, please see www.natwestgroup.com.

The market-based values reported in the table above include emission reductions from the use of renewable electricity across the majority of our portfolio but in accordance with the Greenhouse Gas Protocol[8] it does not include emissions reduction from the use of carbon credits.

To our knowledge there are no material omissions. Independent reasonable assurance of total reported emissions in tonnes of CO_2e (Scope 1 and 2 location-based and market-based emissions) and limited assurance of total reported Scope 3 emissions has been provided by Ernst & Young LLP[9].

[8] GHG Reporting Protocol Corporate Standard, available https://ghgprotocol.org/corporate-standard
[9] This can be found in our 2023 Annual Report, available on www.natwestgroup.com

Current Emissions Reporting
For our Direct Own Operations within the UK (including offshore), we have reduced our location-based emissions from our 2019 baseline by 46% in 2023 – this differs from our Groupwide reductions of 47% due to the variance in scope[10]. For the required subset of Scope 3 required under PPN, please see Table 2 below.

UK and Offshore[11] Emissions	2019 tCO_2e	2023 tCO_2e	YoY
Scope 1	17,959	11,958	-33%
Scope 2 (location-based)	81,815	39,209	-52%
Scope 2 (market-based)	13,217	11	-100%
Scope 3 (waste generated in operations; business travel; employee commuting; upstream transportation and distribution; downstream transportation and distribution)	124,435	69,771	-44%
Total Location-Based	224,209	120,938	-46%
Total Market-Based	155,611	81,740	-47%

Table 2 NatWest Group UK progress on the 50% emissions reduction ambition by 2025 (against 2019 baseline) for its Direct Own Operations in the UK and Offshore Areas. Our reporting year of 2023 covers October 2022 - September 2023.

[10] Within this Carbon Reduction Plan, we cover our Scope 1, 2 and 3 carbon emissions relating to our Own Operations activities within the UK, including our offshore operations. Scope 3 emissions disclosed here are in line with PPN 06/21 requirements and cover categories 4, 5, 6, 7 and 9; the reported value therefore differs to that in our SECR UK Own Operations table which covers a different range of categories in line with the NatWest Group reporting.
[11] Offshore area as defined in The Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018.

Emissions Reduction Targets

To continue our progress to becoming Net Zero across our operational value chain, we have adopted the following carbon reduction targets. These have been set at the NatWest Group level covering all our international Own Operations activities and therefore apply at both a UK and offshore level.

NatWest Group aims to use resources sustainably, following the key principles of an environmental management system (EMS) by identifying, managing, and monitoring environmental areas and continually improving our approaches.

From our targets, we project that carbon emissions will decrease to ~125,000 tCO_2e using a location-based approach by the end of our 2024 reporting year for 2025 achievement. This is a reduction of 50%. Progress against these targets can be seen in the graph below.

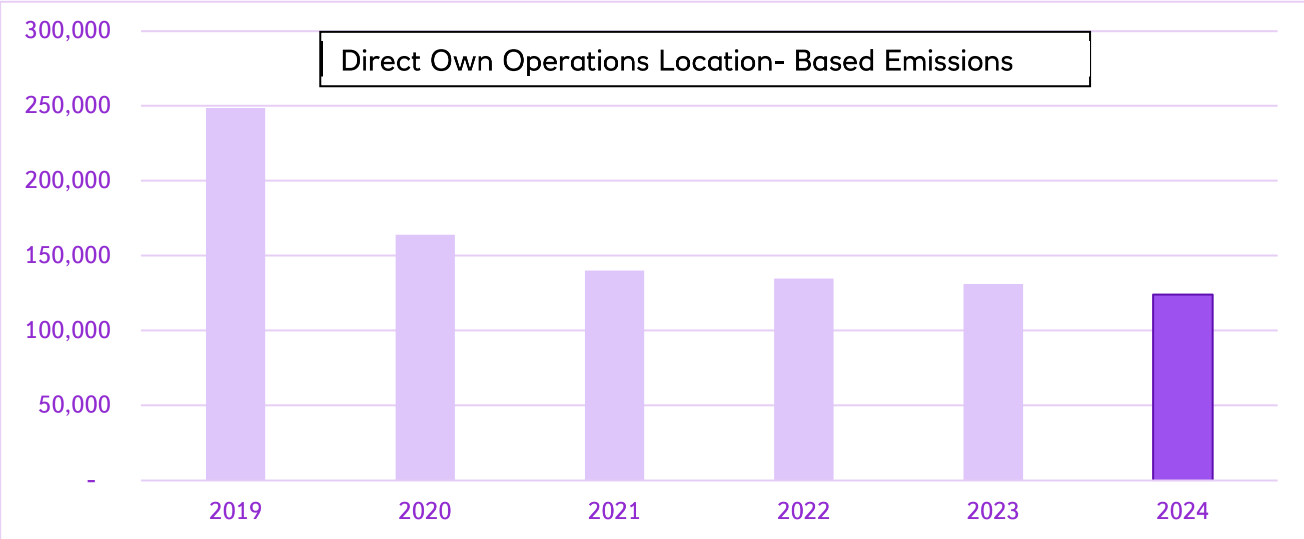

Figure 1 Location-based NatWest Group direct own operations emission projection. We are targeting to achieve a 50% reduction from a 2019 baseline by 2025. The projection covers emissions resulting from Scopes 1, 2 and 3 (paper, water, waste, business travel, working from home and commuting). Projected emissions are in the dark purple and have been estimated linearly assuming the 2025 targets are achieved. For a full list of assumptions around forward-looking values please consult appendix D.

For further information on the NatWest Group Own Operations baseline emissions footprint, current emissions reporting and emissions reduction targets please refer to our disclosure included in the NatWest Group FY2023 Annual Report and Accounts ("NWG FY2023 ARA")[12], the 2023 Climate-related Disclosure Report[13] and the NatWest Group website[14].

[12] https://investors.natwestgroup.com/results-centre
[13] https://investors.natwestgroup.com/results-centre
[14] https://www.natwestgroup.com/our-purpose/environment/own-operational-footprint.html

Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction that these schemes have contributed to equals a 47% reduction for our global direct own operations.

The measures will be in effect when performing a contract by NatWest Group under the Procurement Policy Note – Action Note PPN 06/21 (PPN) which sets out how to take account of suppliers' Net Zero Carbon Reduction Plans in the procurement of major Government contracts[15].

Carbon

Our direct own operations emissions are 131,100 tCO_2e and have reduced by 47%, compared with the 2019 baseline, supporting delivery of our 2025 and 2030 ambitions. Supporting delivery of our RE100 commitment, our 2023 direct own operations market-based emissions of 79,417 tCO_2e include emission reductions from the use of green electricity covering 100% of our consumption, but in accordance with the Greenhouse Gas Protocol it does not include emissions reduction from the use of carbon credits.

Energy

Technology: A cloud-hosted desktop service was enabled for 34,000 colleagues that allows supporting infrastructure to dynamically scaled up and down throughout the day based on real-time demand. Further, rightsizing our property portfolio has enabled the decommissioning of a segment of our branch and head office network infrastructure achieving savings of 680 tCO2e in 2023.

Building Management System (BMS) software: Installed in all our large and medium office buildings to optimise the control of our energy-using systems such as heating, cooling and air handling.

Data centres: Building management initiatives have been delivered across the four strategic UK data centres including the installation of energy efficient chillers to cool the data centres halls and optimisation of the temperatures. In addition, a multi-year upgrade programme to our Edinburgh data centre network has completed end-of-life hardware decommissioning.

LED lighting: As part of a multi-year LED investment programme, we upgraded 65 of our branches in 2023. The aim is to roll out across a further 200 of our branches, delivering c.8 GWh reduction in electricity use. Installation of low-energy LED lighting in our data centres has provided savings and we also made progress in overseas offices with an LED lighting exchange saving 10% energy at our Poland office compared with the same period last year.

[15]https://www.natwestgroup.com/our-purpose/environment/own-operational-footprint.html

Supply Chain

Emissions: In 2023, we began our supplier data improvement journey for our emissions estimates, transitioning from a fully spend-based approach to a hybrid approach. This uses supplier specific data where it is available, for our top 80% of spend, topping-up with spend-based data where more accurate disclosed data is not available. This means that our 2023 supplier footprint is now 18% supplier specific data. As a result, our Category 1, 2 and 4 emissions for 2019 have been re-baselined in line with recommended best practice as the changes exceeded our 5% materiality threshold, driving a reduction in 2019 emissions from those reported historically.

Supply chain decarbonisation: Through our Supplier Decarbonisation Programme, we completed a pilot with a small sample of suppliers. Supply chain services also continued to work with a third party to evaluate our supply chain using evidence-based assessments of sustainability performance to understand the most effective way to meet our goals and embed our climate focus across our supply chain.

Charter: Our Supplier Charter has been updated to provide clear guidance on what we expect from our suppliers on ESG matters when working with us.

Waste

We have reduced waste by 41% since 2019.

Design: With a continued focus on delivering sustainable, quality assured fit-outs across all our buildings we have furthered our progress by achieving two gold and one silver Royal Institute of Chartered Surveyors (RICS) SKA accreditations in office fit outs, in addition to one gold and one silver in branch refurbishments. This was achieved by embedding the re-use first strategy, helping us to achieve our decarbonization and waste reduction goals, as it looks to re-use as much furniture, signage and fit out components as possible. In 2023 our strategy led 69,000 assets being re-used and 2.3 tonnes of waste avoided from landfill. Further, through innovative and sustainable design we have improved the EPC ratings of a number of buildings, including our Preston hub, a Grade II Listed heritage building, from an EPC rating of E to B.

Cash and Coin: For customers using our cash operations, plastic usage is tracked, highlighting opportunities to switch to more sustainable alternatives.

Paper: Paper consumption has decreased by 71% from our 2015 baseline, with a reduction of 3.9 million envelopes and 56 million sheets of paper being sent to our customers.

Food: Our catering supplier plays a key role in reducing single use plastic on our sites and the successful transition to reusable alternatives for catering at our Thanet Grange and Manchester Spinningfields offices provides the model for roll-out to other sites.

Climate Group Initiatives

RE100: In 2023 we increased our consumption of renewable electricity to 100% across our global operations, achieving our RE100 commitment a year in advance. We accomplished this through green tariffs and purchasing Renewable Electricity Certificates (RECs) for our landlord-supplied properties, where we are unable to specify a requirement for renewable electricity. In January 2024, NatWest Group's first corporate power purchase agreement (cPPA) will start. The Porth Wen solar farm in Anglesey, North Wales, will provide the grid with an anticipated 68 GWh of low-carbon electricity annually. A roof-top solar PV array at Coutts' office at 440 Strand, London will also be completed in 2024 and will generate over 140,000 kWh annually.

EP100: Energy productivity has improved by 84% since 2015 due to the implementation of innovative energy practices throughout our buildings, which has reduced our energy consumption. This has resulted in an improvement in energy intensity on an FTE/GWh basis.

EV100: As part of our ongoing EV100 commitments, we installed electric vehicle charging points in 13% of our large office car park spaces across our UK portfolio and converted 33% of our owned and operated fleet to electric vehicles. Outside our commitments, build commenced in 2023 for two electric mobile banks, with charging infrastructure in place to test long term effectiveness of the vehicles on selected routes in Q1 2024. We also expanded our focus to overseas offices, with EV chargers available to staff at two of our large India offices to help support electrification of our taxi fleet.

Other Initiatives

Carbon Credits: In 2023, we retired 120,000 nature-based carbon removal credits. The project is assured under the Verified Carbon Standard (VCS) and Triple Gold certified to the Climate, Community & Biodiversity Alliance Standards (CCBA) to invest beyond our value chain. The project generates carbon removal credits from increased sequestration of carbon in the soil through sustainable grazing patterns in partnership with communities in grassland areas. The project measures impact using the Tool for the Demonstration and Assessment of Additionality in VCS's Agriculture, Forestry and Other Land Use project activities, estimates project ecological leakage and assesses risk using monitoring and compensation[4]. We have also begun action to decrease our reliance on the carbon credit market by funding our own projects. At the end of 2023 we invested in a woodland creation on the Traquair House estate in Scotland, which will supply approximately 66,000 Woodland Carbon Units to be added to our blended portfolio.

Future Carbon Reduction Initiatives

In the future we plan to implement further measures such as:

- Decarbonise our buildings while increasing their energy efficiency and reducing our energy consumption.
- Optimise our portfolio and increase resilience to climate change.
- Continue to pursue further options for decarbonisation.
- Reduce the impact of our supply chain, increase supplier-specific data and engagement with suppliers.
- Increase sustainable travel by honouring EV commitments on chargers and fleet electrification as well as halving our 2019 travel emissions.
- Transition to a circular economy reducing waste and diverting it from landfill and incineration where possible.
- Invest beyond our value chain[16] in nature by maintaining a balanced portfolio, procuring high-quality carbon credits to invest beyond our value chain while reviewing biodiversity opportunities.
- Continue to consume 100% renewable electricity from 2023 and add additional renewable sources to the grid.
- Please see our transition plan on page **[3]** for more information.

[16] The SBTi recommends that companies invest to mitigate emissions beyond their value chain while they transition towards a state of net-zero emissions. In accordance with the Greenhouse Gas Protocol, our absolute emission reductions of 50% Scope 1+2, 50% Scope 3 and 90% by 2050 are not achieved through the use of carbon credits.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol Corporate Standard[17] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[18].

Scope 1 and Scope 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting (SECR) requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[19].

This Carbon Reduction Plan has been reviewed and signed off by:

Jen Tippin

Date: **17th February 2024**

[17] https://ghgprotocol.org/corporate-standard
[18] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[19] https://ghgprotocol.org/standards/scope-3-standard

Annex A: Selection Criteria

Selection Questionnaire		
1	Please confirm that you have detailed your environmental management measures by completing and publishing a Carbon Reduction Plan which meets the required reporting Standard.	Yes ~~/ No~~ Pass ~~/ Fail~~
	Provide a link to your most recently published Carbon Reduction Plan here: • https://www.natwestgroup.com/our-purpose/environment/own-operational-footprint.html	
2	Please confirm that your organisation is taking steps to reduce your GHG Emissions over time and is publicly committed to achieving Net Zero by 2050.	Yes ~~/ No~~ Pass ~~/ Fail~~
Supplier Emissions Declaration:		
3	Baseline Year:	**2019**
	Scope 1:	17,959
	Scope 2 (location-based):	81,815
	Scope 2 (market-based):	13,217
	Scope 3: categories 4, 5, 6, 7 & 9	124,435
4	Reporting Year:	**2023**
	Scope 1:	11,958
	Scope 2 (location-based):	39,209
	Scope 2 (market-based):	11
	Scope 3: categories 4, 5, 6, 7 & 9	69,771

Table 3 Selection Criteria.

Annex B: Basis of Reporting

This Carbon Reduction Plan includes calculations and projections of carbon emissions pertaining to NatWest Group. As part of these calculations, assumptions have been made; these are detailed below.

Assumptions within emission projections:

1. We achieve our target of a 50% emission reduction for direct own operations by 2025 with a 2019 baseline.
2. Our reporting scope remains as Direct Own Operations, covering Scopes 1, 2 and 3 (water, paper, waste, business travel, commuting and work from home)
3. Scope 3 categories such as up/downstream transportation and distribution as well as financed emissions are excluded from our 2025 projections. These emission sources are covered by the wider operational value chain and Net Zero Banking Alliance commitments.
4. A baseline recalculation is triggered if a 5% change occurs.

Assumptions within calculations of baseline and reporting year:

1. Reporting system:
    a. NatWest utilises a third-party software system, to capture and record the Group's environmental impact and ensure audit requirements are met. The system calculates Key Performance Indicators (KPIs) from the data entered and can generate reports at any level of the organisation, i.e., supplier, site, city, country, NatWest – Global Level. Data gaps are filled with either accruals based on existing data at each site (performed automatically by third-party system) or extrapolations based on a country or regional level property type intensity per floor area (performed manually and updated at least once per year).
    b. All data (actual and estimated) is aggregated at a regional level to reflect the total regional consumption. The regional consumption results will be collated to reflect the total NatWest Group footprint.
    c. CO_2e values are attributed to these sources via an automatic conversion module in the third-party system. The register of default emission factors is maintained by third-party and updated annually from key sources (e.g., DEFRA, EPA, IEA, GHG Protocol, eGrid). Market-based emission and bespoke factors are maintained by the third-party system.

2. The principles of NatWest's global environmental performance reporting are as follows:
    a. Consistent reporting - based upon the main requirements of published standards.
    b. Transparent reporting - with year-on-year comparable data and relevant explanations.
    c. Significant reporting - that is material and mutually important for NatWest, internal & external stakeholders.
    d. Robust and accurate reporting - using local environmental knowledge where available, utilising the GHG reporting principles and ensuring environmental reporting has been made as appropriate.
    e. Relevant reporting - including all environmental data from the Group's active operational footprint.

3. Data assumptions:
    a. Regions outside the UK and Ireland only make significant use of office paper, other paper types are assumed to be minimal.
    b. Waste data is based on assumptions agreed with the key waste-related suppliers (e.g., average bag or bin weights used instead of actual weighed data for UK general waste). These weights are regularly updated based on sample surveys, and where actual weights are available these are used.
    c. It is assumed that water is used at all properties.
    d. It is assumed that all countries use refrigerants for cooling.
    e. It is assumed that electricity is used at all properties.
    f. Other third-party business-related travel is deemed out-of-scope (e.g., mail and package courier services).
    g. All rail and air travel are assumed to be booked through the external provider (BCD), as per NatWest policy – however, expense claims also capture any travel not booked via this approved process.
    h. The white paper used to calculate the work from home emissions is publicly available.

Annex C: Important Information

Caution about climate metrics and data required for climate reporting.

This Carbon Reduction Plan includes climate metrics, particularly targets, projections, forecasts and other forward-looking climate metrics which merit special caution about their usefulness as they are more uncertain than historical financial information.

Climate metrics, whether historical or forward-looking are more inherently uncertain and, therefore, less reliable than metrics based on historical financial statements and forward-looking climate metrics and more uncertain and less reliable than historical metrics due to their forward-looking nature and assumptions about future matters that are not certain.

There are many significant uncertainties, assumptions and judgements underlying climate metrics that limit the extent to which these metrics are reliable. The most important of these are:

- Risks inherent in data required for climate reporting and climate metrics.
- Risks of limited availability of adequate data required for climate reporting, particularly data relating to certain industries, industry sub-sectors and geographic sectors.
- Risks inherent in the lack of standardisation, transparency and comparability.
- Risks inherent in the reliance on assumptions, scenarios and future uncertainty.
- Risk inherent in methodologies for estimating and calculating GHG emissions.
- Limitations of climate scenario analysis and the models that analyse them.
- Risks inherent in the lack of commonly accepted reporting practices, the non-comparability of information and the lack of definitions or standards.

For more information on cautions about climate metrics and data required for climate reporting please refer to Section 7.1 ('Caution about climate metrics and data required for climate reporting') of the 2023 NatWest Group's Climate-related Disclosures Report.

Cautionary Note About Forward-Looking Statements.

This Carbon Reduction Plan contains 'forward-looking statements', such as targets, climate scenarios and estimated emissions, emissions reduction, climate projections and forecasts. Words or phrases such as 'anticipate', 'effort', 'estimate', 'believe', 'budget', 'continue', 'could', 'expect', 'forecast', 'goal', 'guidance', 'intend', 'may', 'objective', 'outlook', 'plan', 'potential', 'predict', 'projection', 'seek', 'should', 'target', 'will', 'would' or similar expressions that convey the prospective nature of events or outcomes generally indicate forward-looking statements.

There are many significant uncertainties, assumptions, judgements, opinions, estimates, forecasts and statements made of future expectations underlying these forward-looking statements which could cause actual results, performance, outcomes or events to differ materially from those expressed or implied in these forward-looking such statements.

Furthermore, these statements are based on current plans, expectations, estimates, targets and projections, and are subject to significant inherent risks, uncertainties and other factors, both external and relating to NatWest Group's strategy or operations, which may result in NatWest Group being unable to achieve the current plans, expectations, estimates, targets, projections and other anticipated outcomes expressed or implied by such forward-looking statements.

The most important of these uncertainties and factors that could cause actual results and outcomes to differ materially from those expressed or implied in forward-looking statements are summarised in the ‘Risk Factors’ included on pages 420 to 444 of the NatWest Group 2023 Annual Report and Accounts (with special regard to the risk factors in relation to ‘Climate and sustainability-related risks’ that describe several particular uncertainties, climate and sustainability-related risks to which NatWest Group is exposed and which may be amended from time to time).
Accordingly, undue reliance should not be placed on these statements.

The forward-looking statements contained in this document speak only as of the date we make them, and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein, whether to reflect any change in our expectations with regard thereto, any change in events, conditions or circumstances on which any such statement is based, or otherwise, except to the extent legally required.

This forward-looking statement should not be regarded as a complete and comprehensive statement and should be read together with (i) the Climate-related and other forward-looking statements and metrics included in the 2023 NatWest Group’s Climate-related Disclosures Report; (ii) the ‘Risk Factors’ included in the NatWest Group 2023 Annual Report and Accounts (with special regard to the ‘Climate and sustainability-related risks’); and (iii) the ‘Forward-looking statements’ on pages 448 – 449 in the NatWest Group 2023 Annual Report and Accounts.

No duty to update. The forward-looking statements contained in this report only speak as of the date they were published. Except to the extent legally required, we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements in this report, whether to reflect any change in our expectations regarding those forward-looking statements, any change in events, conditions or circumstances on which any such statement is based, or otherwise.

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