

# Building a more sustainable bank

Green, Social and Sustainability Bond Framework

June 2019

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# 1 Introduction

**We<sup>1</sup> are a financial services company, providing a wide range of products and services to personal, business, commercial, corporate and institutional customers.**

We are building a more sustainable bank; a more responsible company, doing business in a more sustainable way. Being a responsible business means serving customers in a way that helps them and future generations.

To make this happen, we need to run our bank efficiently and ethically. We must make sure our conduct is exemplary and our risk management is robust. Our commitment to the environment, our partners and society more broadly must reflect our broader ambition.

We consider the long-term impacts of our decisions and actions. Our enterprise and financial capability programmes are making a difference to our customers and communities. We have also enhanced our energy-lending policies and are playing our part to address the risks and opportunities climate change presents to our business and our customers.

The diverse awards we have received over the last year – ranging from recognition for inclusion and diversity awards, to our work educating young people about managing their finances – have reinforced our determination to make a difference for our customers, businesses, communities and the environment. This is the best way for us to achieve our ambitions.

As the world around us continues to change, we welcome the growing prominence of the UN Sustainable Development Goals (“SDGs”) and 2030 targets. In September 2019 we became one of the Founding Signatories of the Principles for Responsible Banking, committing to strategically align our business with the Sustainable Development Goals and the Paris Agreement on Climate Change. This will enable us to make greater impacts in priority areas such as financial capability, enterprise and the environment.

In light of our sustainability approach, we also implement a responsible lending strategy by conducting our lending activities in accordance with international principles promoting and safeguarding environment and human rights, and integrate Environmental, Social and Governance (“ESG”) considerations in our lending practices. Over the last decade, we have become one of the leading lenders to the UK Sustainable Energy market, with expertise and services designed for customers from small businesses up to large corporations.

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<sup>1</sup>“We”, “RBS” means The Royal Bank of Scotland Group plc and/or subsidiaries

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“We’re very conscious of our obligations under the UN Sustainable Development Goals. We recognise the importance of understanding the implications of climate change, and what that will do to our business and to the business of our customers. We have a strong track record in alternative energy projects. And overall we are working to build a more sustainable bank in a very broad societal, economic and environmental context.”

**Sir Howard Davies**  
Chairman  
RBS Group

## 1.1 Sustainability

At our AGM in May 2018 we announced new energy-lending policies, meaning that we will not provide project-specific finance to high carbon-intensive projects including:

- new coal-fired power stations
- oil sands projects
- arctic oil projects
- new thermal coal mines
- unsustainable vegetation or peatland clearance projects

This was in addition to existing policies restricting financing to mining companies that derive more than 40% of their revenues from thermal coal and power companies generating more than 40% of their electricity from coal.

In our 2018 Annual Report, we made the commitment to provide £10 billion of funding to the sustainable energy sector by 2020. We want to continue to empower our customers and colleagues by providing finance solutions and energy intelligence to accelerate the transition to a greener economy. This will include continued financing of low carbon generation as well as energy efficiency projects, such as in the real estate sector and alternative fuelled vehicles.

We continue to recognise that climate change is a critical global issue that has significant implications for us and our customers, employees, suppliers and partners. We support the overall objectives of the Paris Climate Agreement and the emission reduction strategies set by the UK and devolved Governments. We have begun taking steps to assess how we will integrate these objectives into our strategy, business model, risk management, operations and processes — including reclassifying climate change as a top risk and starting to integrate climate-related financial risks into our core risk framework. This includes work on scenario-based analysis for both physical and transition risks.

In March 2019, we joined the Climate Financial Risk Forum, established by the FCA and PRA to develop practical tools to address climate-related financial risks and we have also continued to engage with investors, NGOs and other key stakeholders on the actions we are taking to play our part in addressing this important issue.

Examples of other initiatives include:

- “Back Her Business”, which forms part of the bank’s wider commitment to help create an additional 65,000 new female-led businesses by 2025 by inspiring and supporting 400,000 women to consider enterprise as a career option.
- Our Skills & Opportunities Fund, which has distributed £10 million over the last four years. This has helped nearly 150,000 people and supported approximately 2,000 new businesses.
- MoneySense, our flagship financial education programme for 5–18 year olds, through which we have helped over 6.5 million young people to be more financially aware over the last 24 years.
- Our Entrepreneur Accelerator programme, run from 12 hubs in towns and cities across the UK and is the UK’s largest fully-funded business accelerator network. In 2018, we supported more than 6,400 entrepreneurs through Accelerator programmes driving business growth, jobs and investment.

## 1.2 Climate Group initiatives

We seek to implement leading ESG policies across all aspects of our organisation to ensure we are fully implementing the COP21 Paris Climate Agreement targets. We are one of the first companies worldwide and the first bank to sign up to the Climate Group’s initiatives in relation to electric vehicles, renewable electricity and energy productivity.

Our targets include:

- Electric vehicles – we will switch 300 vehicles to electric and encourage staff uptake of electric vehicles by building on the 12 charge points it already offers; the bank will provide a further 450 by 2025 and 600 by 2030.
- Energy productivity – we will reduce our energy consumption by 40% by 2025 against our 2015 baseline.
- Renewable power – we have already committed to 100% renewable electricity by 2025. We have already achieved 100% renewable electricity in the UK and Ireland and have achieved 75% renewable electricity worldwide.

We have also already upgraded 103 Building Management Systems (BMS) which are reporting 18% energy savings in a year thanks to efforts at our data centers, such as reducing IT loads, a new data hall, new chiller systems, and technology to help identify and reduce inefficiencies.

## 1.3 Responsible employer

We are committed to working in a sustainable manner with our employees and the communities we serve. We were an early adopter of the Living Wage and are a fully accredited Living Wage Employer.

We pride ourselves on fostering a diverse and inclusive workforce. We are a Stonewall Global Diversity champion, were named Employer of the Year at the Women in Finance 2018 Awards and we have been a Times Top 50 Employer for Women since the inception of the list in 2006.



Gold Rated Disability Standard Employer Business Disability Forum



Disability Confident Leader Disability Confident Scheme



Stonewall Global Diversity Champions



Platinum rated for our Gender work Business in the Community



The Times Top 50 Employer for Women Business in the Community



Top 10 Employer for Working Families



Member of Bloomberg Global Gender Equality Index



Employer of the Year 2018 Women in Finance



Exemplary level employer Carer Positive Scotland

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## 2 Purpose of this Framework

We have developed our Green, Social and Sustainability Bond Framework with the aim to attract dedicated funding for loans and investment that bring a positive environmental and social impact. The Framework provides a clear and transparent set of criteria to enable investments which support the transition to a low-carbon economy and create long-term value for our stakeholders.

The ICMA Green Bond Principles (“GBP”)<sup>2</sup>, Social Bond Principles (“SBP”)<sup>3</sup> and Sustainability Bond Guidelines (“SBG”)<sup>4</sup> represent a set of voluntary guidelines that recommend transparency, disclosure and promote integrity in the development of the green and social bond market by clarifying the approach for issuing a green or social bond. In line with the ICMA GBP, SBP and SBG, our Green, Social and Sustainability Bond Framework has four key components:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

We have also sought an external review on the Framework from an established independent second-party opinion (“SPO”) provider, Sustainalytics. This is available on the Sustainalytics website and published on RBS.com.

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<sup>2</sup>[icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/](https://icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/)

<sup>3</sup>[icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/](https://icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/)

<sup>4</sup>[icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/](https://icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/)

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## 3 Types of issuance

Under this Framework, we can issue three types of bonds:

**1. Green Bonds**

Green Bonds, in order to finance and/or refinance Eligible Green Loans (as defined in Section 4).

**2. Social Bonds**

Social Bonds, in order to finance and/or refinance Eligible Social Loans (as defined in Section 4).

**3. Sustainability Bonds**

Sustainability Bonds, in order to finance and/or refinance a combination of Eligible Green Loans and Eligible Social Loans (as such terms are defined in Section 4).

Green, Social or Sustainability Bonds may take different forms of bond structures, such as a Senior Unsecured or Covered Bond, and will be issued from our group holding company (The Royal Bank of Scotland Group plc), or any of its subsidiaries, including for instance National Westminster Bank Plc.





## 4 Use of proceeds

Loans, investments and projects which are to be financed and/or refinanced in whole or in part by the allocation of the proceeds of Green, Social or Sustainability Bonds raised under this Framework must fall into the categories outlined below (the “Eligible Portfolio”).

The Eligible Portfolio is defined as Eligible Green Loans and Eligible Social Loans (together the “Eligible Loans”) granted by RBS Group up to 36 months prior to the Green, Social or Sustainability Bonds issuance date.

“Eligible Green Loans” refer to loans dedicated to financing of eligible green projects with positive environmental impacts, and are defined as follows:

ICMA GBP/SBP category	Definition	Eligibility criteria	Objectives	Benefit	UN SDG
<b>Eligible Green Loans for Green Bonds</b>					
<b>Renewable energy</b>	Loans aimed at financing the equipment, development, manufacturing, construction, operation, distribution and maintenance of renewable energy generation sources	<ul style="list-style-type: none"> <li>• <b>Wind projects</b> Onshore and offshore wind energy projects</li> <li>• <b>Solar projects</b> Photovoltaic energy projects</li> <li>• <b>Small-scale hydropower projects</b> Hydropower projects (<math>\leq 20\text{MW}</math>)</li> </ul>	Support energy transition to a low-carbon economy	<ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Greenhouse Gas (GHG) emissions reduction</li> <li>• Pollution reduction</li> </ul>	 

“Eligible Social Loans” refer to loans with positive social impacts, and are defined as follows:

ICMA GBP/SBP category	Definition	Eligibility criteria	Objectives	Benefit	UN SDG
<b>Eligible Social Loans for Social Bonds</b>					
<b>SME lending</b>	Financing/refinancing of loans to customers or projects with geo-scoring of areas with high unemployment/low income/low job creation, with potential targeting of specific sectoral activity codes	Loans to Small and Medium-sized Enterprises (“SMEs”) in the United Kingdom in accordance with methodology described in Section 5.1	Contribute to access to decent work and economic growth	Facilitate job conservation or creation, revitalise economically depressed areas and reduce poverty	   
<b>Access to essential services</b>	Financing/refinancing of loans that enhance access to essential services (eg healthcare and education)	<p>Activities involving the development, expansion or acquisition of buildings, facilities, or equipment relating to:</p> <ul style="list-style-type: none"> <li>i. Infrastructure for hospitals, laboratories, clinics, healthcare and hospices that are affiliated with the NHS, part of the NHS trust, or are more broadly accessible to the whole public.</li> <li>ii. Infrastructure for the provision of childcare and child, youth or adult education and vocational training services which are broadly accessible to the whole public.</li> </ul>	Contribute to access to essential services	Facilitate improved coverage of vital services, contribute to reducing inequality and reduce poverty	    

The chosen categories above are subject to ongoing review by the Green, Social and Sustainability Bond Working Group (as described in Section 5) and we may, from time to time, add additional bond categories in line with the ICMA GBP, SBP and SBG in order to include other loans depending on loan-book growth and business targets.

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## 5 Evaluation and selection process

A Green, Social and Sustainability Bond Working Group (the “Working Group”) will be established and is responsible for:

- Selecting the Eligible Loans to be included in the Eligible Portfolio.
- Managing the Eligible Portfolio over the lifetime of the Green, Social and Sustainability Bond, to ensure that proceeds are used solely for the financing and refinancing of the Eligible Green Loans and Eligible Social Loans as defined in the Use of Proceeds (Section 4).
- Monitoring developments in the wider Green, Social and Sustainability bond sector and updating this framework and eligibility criteria accordingly.

Following the initial selection of potential Eligible Loans, compliance with the eligibility criteria is assessed by the Working Group. This Working Group will also document the evaluation and selection process in order to facilitate external verification (if required) of whether selected loans meet the Green and Social Loan Eligibility Criteria as outlined in the tables included in Section 4 above.

The Working Group is formed by members of the Treasury DCM team including the Head of Debt Capital Markets as well as senior managers from Sustainable Banking, Communications and Marketing, Treasury Legal, Commercial and Private Banking, Risk, and attended from time to time by other subject-matter experts.

RBS Group ensures that all selected Eligible Loans comply with official national and social standards and local laws and regulations on a best-efforts basis.

## 5.1 Methodology for selecting Eligible SME Social Loans

Our Small and Medium Enterprises (“SMEs”) Financing Social Bond will be focused on providing financing and lending to SMEs situated in deprived areas of the UK. Eligible Loans in this category are aimed at SMEs with an emphasis on employment creation or employment retention in specific economically underperforming regions of the UK.

To be eligible, the loans must meet the following criteria (“SMEs Loan Eligibility Criteria”):

1. Be an SME as defined by the European Commission;
2. Be located in an economically underperforming region of the UK listed below; and
3. Not be engaged in any business activity described in Section 5.2 (Exclusions).

We have designed a method for identifying economically underperforming areas in the United Kingdom by employing public macro data released by the UK Office of National Statistics (“ONS”). Specifically, we use two national indicators to determine eligibility for a Social Bond:

1. GVA (Gross Value Added) per head (“GVA”); and
2. Unemployment Claimant Percentage (“UCP”).

The ONS defines Local Administrative Units (“LAUs”) as areas that are parts of the Nomenclature of Territorial Units for Statistics (“NUTS”) hierarchical classification of UK areas, created by the Statistical Office of the European Union (“Eurostat”) in order to produce regional statistics which are comparable across the European Union.

Our asset selection methodology consists of mapping loan-specific postcodes from our lending data to the related LAUs, in order to extract the GVA and UCP data relevant to the respective codes. Should GVA and UCP not be available in the future, we will seek to use a suitable alternative metric. Any such update would be disclosed via an updated Framework.

Lastly, we use an equal weighted index of GVA and UCP to rank our UK SME loan book. The assets mapping to the bottom 30% of the distribution represent the potential pool of assets for a social bond issuance. On a best-endeavours basis, we will allocate issuance proceeds to an even distribution of loans from each of these bottom 3 deciles.

## 5.2 Exclusions

We will not knowingly allocate the proceeds from the Green, Social and Sustainability Bonds issued under this Framework to loans to businesses or enterprises in a number of industries that are considered to have potential negative social or environmental impact. As such, loans to businesses or enterprises that meet any of the following criteria are ineligible for the proceeds from Green, Social and Sustainability Bonds issued under this Framework:

1. Those businesses which fall under the SIC codes listed in Appendix 1, which cover a range of businesses such as, but not limited to, alcohol, environmental damage, fossil fuels, gambling, tobacco or weapons.
2. Those businesses which are found to have engaged in illegal business practices.

In addition, non-performing loans and encumbered assets are also ineligible for allocation of the proceeds of Green, Social and Sustainability Bonds raised under this Framework.

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## 6 Management of proceeds

Lending forecasts and business plans will be reviewed by the Working Group ahead of bond issuance to ensure an appropriate Eligible Portfolio is in place for the duration of the Green, Social and Sustainability Bonds issued under this Framework. Pending the full allocation of net proceeds, and where assets unexpectedly mature such that the outstanding bond proceeds exceed the amount allocated to assets, we will, on a best-efforts basis, purchase green or sustainable assets to be held as part of the High Quality Liquid Assets (“HQLA”) pool.

After issuance of a bond, the net proceeds will be managed by the Treasury on a portfolio basis. As long as the bond is outstanding, it is intended to exclusively allocate an amount equivalent to the net proceeds of the bond to an Eligible Portfolio in line with the above-mentioned Green and Social Loan Eligibility Criteria and evaluation and selection process.

If a loan no longer meets the Green and Social Loan Eligibility Criteria (as described in Section 4), we will remove the loan from the Eligible Portfolio and replace it with another Eligible Loan as soon as reasonably practicable.

In line with internal monitoring of the Eligible Portfolio, the Working Group will review and approve allocations of proceeds from the issue of Green, Social and Sustainability Bonds under this Framework to Eligible Loans on a monthly basis.

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## 7 Reporting

The ICMA Green Bond Principles and Social Bond Principles require issuers to keep investors and other stakeholders updated on the allocation of proceeds.

In addition to information relating to the projects to which the proceeds from Green, Social or Sustainability Bonds issued under this Framework have been allocated, the GBP and SBP recommend disclosure of the expected impact of the projects.

An allocation and impact report will be prepared by the Treasury DCM team, reviewed by the Working Group and made available on the RBS Investor Relations website. Such reports will be available within a year from the issuance of the applicable Green, Social or Sustainability Bonds.

On a best-efforts basis, we will align our reporting with the approach described in “Green Bonds – Working Towards a Harmonized Framework for Impact Reporting (June 2019)”<sup>5</sup> and “Social Bonds – Working Towards a Harmonized Framework for Impact Reporting (June 2019)”<sup>6</sup>. Reporting for all Green, Social or Sustainability Bonds is based on the Eligible Portfolio and reports will be aggregated per class of bonds outstanding.

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<sup>5</sup> [icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf](https://icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf)

<sup>6</sup> [icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Framework-for-Social-Bond-Reporting-Final-06-2019-100619.pdf](https://icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Framework-for-Social-Bond-Reporting-Final-06-2019-100619.pdf)

## 7.1 Allocation reporting

Our allocation reporting will provide indicators on a portfolio basis including, but not limited to:

- The total amount of proceeds allocated to Eligible Loans
- The number of Eligible Loans included in the Eligible Portfolio
- The balance of unallocated proceeds
- The amount and the percentage of new financing and refinancing

## 7.2 Impact reporting

Where feasible, we will strive to report granular metrics relevant to the assets to which proceeds have been allocated. This may include information regarding, for example:

- Renewable energy, including wind, solar and small-scale hydro
  - Installed capacity (MW)
  - Annual emissions avoided (tCO<sub>2</sub> equivalent)
  - Annual production of renewable energy (MWh)
- Access to essential services, including SME lending
  - Number of jobs created or retained by LAU/region
  - Number of jobs created or retained by activity sector
  - Number of loans granted to SMEs
  - Number of loans granted to essential services



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## 8 External review

### 8.1 Second-party opinion

We have obtained an independent second-party opinion from Sustainalytics to confirm the validity of our Green, Social and Sustainability Bond Framework. The independent second-party opinion is published on RBS.com and available on the Sustainalytics website.

### 8.2 Verification

We may request our external auditor (or any subsequent external auditor) to produce, on an annual basis, starting one year after the issuance and until the maturity of the Green, Social and Sustainability Bonds issued under this Framework, a limited assurance report of the allocation of the proceeds.

Depending on the type of instrument issued under the Framework, we may seek a Climate Bond Initiative Certification.

# Appendix 1: Excluded sectors

Category	Sector	SIC code	
Alcohol	Manufacture of distilled potable alcoholic beverages	15.91/0/0	
	Wholesale of alcoholic and other beverages	51.34/0/0	
Environmental damage	Mining of uranium and thorium ores	12.00/0/0	
	Mining of iron ores	13.10/0/0	
	Mining of non-ferrous metal ores, except uranium and thorium ores	13.20/0/0	
	Quarrying of stone for construction	14.11/0/0	
	Quarrying of limestone, gypsum and chalk	14.12/0/0	
	Quarrying of slate	14.13/0/0	
	Operation of gravel and sand pits	14.21/0/0	
	Mining of clays and kaolin	14.22/0/0	
	Mining of chemical and fertiliser minerals	14.30/0/0	
	Other mining and quarrying not elsewhere classified	14.50/0/0	
	Processing of nuclear fuel	23.30/0/0	
	Wholesale of metals and metal ores	51.52/0/0	
	Fossil fuels	Deep coal mines	10.10/1/0
		Opencast coal working	10.10/2/0
Manufacture of solid fuel		10.10/3/0	
Mining and agglomeration of lignite		10.20/0/0	
Extraction and agglomeration of peat		10.30/0/0	
Extraction of crude petroleum and natural gas		11.10/0/0	
Service activities incidental to oil and gas extraction excluding surveying		11.20/0/0	
Other treatment of petroleum products (excluding petrochemicals manufacture)		23.20/2/0	
Manufacture of industrial gases		24.11/0/0	
Manufacture of gas; distribution of gaseous fuels through mains		40.20/0/0	
Wholesale of petroleum and petroleum products		51.51/1/0	
Wholesale of other fuels and related products		51.51/2/0	
Oil and gas supply by pipeline		60.30/0/1	
Gambling	Gambling and betting activities	92.71/0/0	
	Manufacture of tobacco products	16.00/0/0	
Tobacco	Agents involved in the sale of food, beverages and tobacco	51.17/0/0	
	Wholesale of unmanufactured tobacco	51.25/0/0	
	Wholesale of tobacco products	51.35/0/0	
	Non-specialised wholesale of food, beverages and tobacco	51.39/0/0	
	Retail sale in non-specialised stores with food, beverages or tobacco predominating	52.11/0/0	
	Retail sale of tobacco products	52.26/0/0	
	Other retail sale of food, beverages and tobacco in specialised stores	52.27/0/0	
Weapons	Manufacture of explosives	24.61/0/0	
	Manufacture of weapons and ammunition	29.60/0/0	

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# Disclaimer

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RBS shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the addressee.

Prospective investors should have regard to the information in the relevant documents relating to any particular Green, Social or Sustainability Bond regarding the use of proceeds of such Green, Social or Sustainability Bond and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social or Sustainability Bond together with any other investigation such investor deems necessary. In particular no assurance is given by RBS that the use of such proceeds for any Eligible Portfolio will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Bond). Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a 'green', 'social' or 'sustainable' or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as 'green', 'social' or 'sustainable' or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Bond will meet any or all investor expectations regarding such 'green', 'social' or 'sustainable' or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Portfolio.

RBS's failure to allocate the proceeds of any particular Green, Social or Sustainability Bond to finance an Eligible Portfolio or to provide annual progress reports as described in Section 7, the failure of any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Bond to meet this Framework, or the failure of external auditors to give a limited assurance report of the allocation of the bond proceeds (as described in Section 8.2), will not constitute a default with respect to any particular Green, Social or Sustainability Bond and may affect the value of any particular Green, Social or Sustainability Bond and/or have adverse consequences for certain investors with portfolio mandates to invest in green assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by RBS or any affiliate) which may be made available in connection with any particular Green, Social or Sustainability Bond and in particular with any Eligible Portfolio fulfil any environmental, sustainability, social and/or other criteria. Any such opinion or certification is not, nor should be deemed to be, a recommendation by RBS or any other person to enter into any particular Green, Social or Sustainability Bond. Any such opinion or certification is only current as of the date that such opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green, Social or Sustainability Bond. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

If any particular Green, Social or Sustainability Bond is at any time listed or admitted to trading on any dedicated 'green', 'social' or 'sustainable' or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by RBS or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own articles of association or other governing rules or investment mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any particular Green, Social or Sustainability Bond). Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by RBS or any other person that any such listing or admission to trading will be obtained in respect of any particular Green, Social or Sustainability Bond or, if obtained, that any such listing or admission to trading will be maintained during the life of any particular Green, Social or Sustainability Bond.







