

Independent Assurance statement to the Directors of NatWest Group plc

We have performed a limited assurance engagement on selected sustainability performance data and statements presented in the NatWest Group plc (“the Group”) 2020 Strategic Report and the 2020 Climate Related Disclosure Report (collectively referred to as “the Report”).

Respective responsibilities

The Group’s management is responsible for the collection and presentation of the information within the Report. Management are also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with our engagement terms with the Group’s management, is to carry out a ‘limited level’ assurance engagement on selected performance data and performance claims in the Report (the ‘Subject Matter Information’) set out below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with the International Standard for Assurance Engagements (ISAE 3000 Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The Group’s definitions and method as defined in the Basis of Reporting, available on natwestgroup.com, have been used as the Criteria against which to evaluate the ‘Subject Matter Information’ defined below.

The ‘Subject Matter Information’ comprises selected claims regarding the performance of the Group presented in the Report, and the following metrics indicated with a (*) symbol in the Report.

Theme	Metric
Climate	Operational footprint CO2 equivalent (CO2e) emissions (tCO2e) New funding and financing for climate and sustainable finance (£)
Enterprise	Minimum number of jobs created by businesses participating in NatWest/ RBS/ Ulster Bank Entrepreneur Accelerator Programme (#)
Learning	Financial capability interactions (#) Number of additional customers helped to start saving (#)
Responsible Business	Direct community investment (DCI) spend (£)
Customer	Number and value of attempted fraud prevented in UK (£) Number of First Time Buyer (FTB) mortgage customers supported (#) Percentage of digitally active personal customers (%)
Colleague	Proportion of black, Asian, and ethnic minority in top four leadership layers in the UK (%) and Gender balance in top three senior layers (%)

Our assurance procedures performed were based on our professional judgement and included, but were not limited to:

- Obtaining an understanding of the processes for the collection and accurate reporting of performance information;
- Reviewing the guidance on data reporting, key processes and quality assurance performed at the Group;
- Selecting a sample of data points and sought documentary evidence to support the data;
- Conducting a walk-through of data to test consolidation;
- Making management enquiries and reviewing any explanations provided for significant variances;
- Reviewing and recalculating selected performance information on a materiality basis and selected documentation supporting assertions made;
- Reviewing the Report for the appropriate presentation of the data including limitations and assumptions, and;
- Obtaining management representation.

Limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE 3000 Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and, therefore, a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on the Group's controls for managing and reporting sustainability information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at the Group beyond those used for the 'Subject Matter Information' (as presented above). The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with the Group's management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

We have only sought evidence to support the 2020 performance data. We do not provide conclusions on any other data from prior years. We have not provided assurance over claims made by the Group that are statements of belief or forward looking in nature.

Our conclusions

Based on our limited assurance procedures, as described in this statement, nothing has come to our attention that causes us to believe that the 'Subject Matter Information' was not prepared, in all material respects, in accordance with the Criteria, which were applied by management.

Observations and areas for improvement

Our findings and observations will be raised in a report to the Group's management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

- We note that the Group's purpose 'to champion potential' has been central to its strategy and is reflected clearly throughout the Report. Particular strengths include: the further refinement of ESG Governance; the greater breadth of sustainability issues covered within the Report; the greater transparency across key sustainability topics through both narrative and quantitative information, and; the reference to globally accepted reporting standards including SASB, GRI, WEF-IBC, TCFD and the UN Principles for Responsible Banking.
- Shareholder and stakeholder expectations on the application of reporting standards are rapidly evolving. In this context, the Bank should continue to enhance its application of sustainability reporting standards during 2021.
- The Group's climate disclosures have strengthened compared to prior years. Particular strengths include: The Group's transparency in relation to the approach taken to conducting scenario analysis; the disclosures of emissions from customers following the PCAF guidelines, and the clear articulation of activity to be undertaken in 2021.
- Governance over sustainability reporting has undergone refinements with clearer ownership, responsibilities, documentation of reporting procedures and sign offs. This has led to a reduction in risk of misstatements.
- Reporting procedures remain reliant on manual processes and is susceptible to human error. Consideration should be given to greater standardisation and automation of processes to reduce the risk of misstatements.

Our independence and competence

We have implemented measures to comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC¹. EY's independence policies apply to the firm, partners, and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

We confirm annually to the Group whether there have been any events including the provision of prohibited services that could impair our independence or objectivity. There were no such events or services in 2020. Our assurance team has been drawn from our Climate Change and Sustainability Services (CCaSS) and Financial Accounting Advisory Services (FAAS) practices, which undertake engagements similar to this with a number of UK and international businesses.

Ernst & Young LLP, London

18 February 2021

¹ Parts A and B of the IESBA Code; and the International Standard on Quality Control 1 (ISQC1)