



NatWest
Group

Sustainable and Transition Financing Framework

NatWest Group plc

NatWest Group's approach to issuing green, social, sustainability, transition and sustainability-linked loan (SLL) bonds and other financing instruments

May 2026



Contents

1	NatWest Group Approach to Sustainability
2	Purpose of this Framework
3	Sustainable and Transition Financing Instruments
4	Use of Proceeds
	4.1. Eligible Green Assets
	4.2. Eligible Transition Assets
	4.3. Eligible Social Assets
	4.4. Eligible Sustainability-Linked Loans (SLLs) financing Assets
5	Evaluation and Selection Process
	5.1. Sustainable and Transition Financing Working Group
	5.2. Process for Evaluation and Selection of Sustainability-Linked Loans (SLLs) financing Assets
	5.3. Exclusions
	5.4. Environmental and Social Risk Management

6	Management of Proceeds
7	Reporting
	7.1. Allocation Reporting
	7.2. Impact Reporting
8	External Review
	8.1. Second Party Opinion
	8.2. Verification
	Appendix 1: Excluded Sectors
	Disclaimer



NatWest Group Approach to Sustainability

We believe that as a bank we can make a positive difference for our customers, communities, and the UK economy. Our success is rooted in the success of our customers, so we focus on the impact that comes from the core of our business, what we do as a bank, building a strategy that is sustainable.

Building enduring, trusted relationships with our customers sits at the heart of our strategy. As a bank that turns possibilities into progress, we work to understand our customers' hopes and needs and support them in achieving their goals.

We help people manage their money, plan for the future and build better, more resilient businesses. By doing this well, we believe we can make a positive difference for communities and support sustainable growth. We focus on driving impact through the core of what we do, as a bank, for our customers. That involves improving financial wellbeing, helping our customers overcome barriers to starting up and growing their businesses, making banking more accessible and facilitating balanced economic growth through our UK-wide network.

Social housing and sustainable infrastructure are fundamental to building resilient communities. We believe that as a bank focused on turning possibilities into progress, we can use our financial products to support investment and delivery of schemes that lay the foundations for more balanced growth and look to support environmental and social outcomes for our customers.

Supporting our customers' climate transition is central to our sustainability approach and how we

support the real economy. As a trusted partner, our role is to help customers to unlock opportunities and navigate the dynamics of a low carbon future. We aim to finance decarbonisation across the economy. This will require vast investments not only in the industries delivering climate solutions, but across a broader spectrum of industries, including emission intensive sectors.

In the first quarter of 2025, we exceeded our £100 billion target for climate and sustainable funding and financing ahead of schedule. Building on this momentum, in July 2025 we set a new target to expand customer support by providing £200 billion in climate and transition finance (CTF) between 1 July 2025 and the end of 2030 (the CTF Target), recognising the important role that transition finance plays in decarbonising the real economy, including hard-to-abate and emission intensive sectors.

The CTF Framework ¹ outlines NatWest Group plc (together with its subsidiaries NatWest Group)'s definitions, guiding principles, indicative eligibility framework and governance (the CTF Framework) for classifying financing or facilitation of assets, activities, acquisition targets and companies that may be reported as counting towards the CTF Target as of 1 July 2025.



(1) NatWest Group – Climate and Transition Finance Framework (July 2025).



Purpose of this Framework

The Green, Social and Sustainability Bond Framework was first introduced in July 2019, establishing a foundation for issuing instruments dedicated to generating positive environmental and social outcomes. The framework was updated in 2020 to reflect organisational developments and ensure continued alignment with market standards and sustainable finance practices. In December 2022, NatWest Group published the third iteration as the Green, Social and Sustainability Financing Framework, expanding its scope to encompass a broader range of sustainable finance activities and further reinforcing NatWest Group's ambition to support customers and communities through financing solutions.

This Sustainable and Transition Financing Framework (the “**Framework**”) represents the next stage in this progression. This iteration reflects NatWest Group's intention to continue enabling sustainable finance at scale while recognising the increasing importance of transition finance in supporting the economy-wide shift towards net zero. It also introduces the capability to issue Transition Bonds and Sustainability-Linked Loans financing Bonds (SLLBs), expanding the suite of eligible instruments aligned with NatWest Group's climate ambitions and long-term strategy on sustainability.

This Framework sets out NatWest Group's approach to the issuance of its own green, social, sustainability, transition and sustainability-linked loan (SLL) bonds and other financing instruments, while providing investors with transparency on the allocation of proceeds to activities delivering measurable environmental and/or social benefits. It is distinct from the NatWest Group Climate & Transition Finance (CTF) Framework, which is sets out the definitions, guiding principles and governance used to classify financing and facilitation activities that may be reported as contributing towards the CTF Target.

This Framework will be reviewed periodically to ensure that it aligns with our internal procedures and evolving market practices and guidelines.



Sustainable and Transition Financing Instruments

Under this Framework, the types of financing instruments which can be issued (referred to as the “Sustainable and Transition Financing Instruments”) are intended to be used to finance or refinance, in whole or in part, Eligible Assets, and include:

1. **Green Financing Instruments**, in respect of Eligible Green Assets (see 4.1 below).
2. **Transition Financing Instruments**, in respect of Eligible Transition Assets (see 4.2 below).
3. **Social Financing Instruments**, in respect of Eligible Social Assets (see 4.3 below).
4. **Sustainability Financing Instruments**, in respect of a combination of Eligible Green, and Eligible Social Assets.
5. **Sustainability-Linked Loans financing Bonds**, in respect of Eligible Sustainability-Linked Loans (see 4.4 below).

The Framework has been designed in accordance with the **Green Bond Principles** (June 2025) (“GBP”) ¹, **Social Bond Principles** (June 2025) (“SBP”) ², **Sustainability Bond Guidelines** (June 2021) (“SBG”) ³, **Guidelines for Sustainability-Linked Loans financing Bonds** (June 2024, including the June 2025 Annex) (“SLLs Financing Bonds Guidelines”) ⁴ and **Climate Transition Bond Guidelines** (November 2025) (“CTBG”) ⁵, each as published by the International Capital Markets Association (ICMA) together referred to as the “ICMA Principles”.

The Framework as such consists of the following four core components:

1. Use of Proceeds.
2. Evaluation and Selection Process.
3. Management of Proceeds.
4. Reporting.

In addition, the Framework includes a best-effort mapping of Eligible Green, Social and Transition categories to the UN Sustainable Development Goals (“UN SDGs”) ⁶ and, where relevant, to the EU Taxonomy Regulation’s Substantial Contribution Criteria (“SCC”) ⁷.

The Sustainable and Transition Financing Instruments may take different forms of debt obligations across the capital structure, including senior unsecured bonds, subordinated bonds, and short-term notes such as commercial paper.

Such instruments may be issued from our holding company NatWest Group plc, or any of its subsidiaries, including for instance National Westminster Bank Plc, NatWest Markets Plc, NatWest Markets N.V and Royal Bank of Scotland International Limited (RBSI), together “**NatWest Group**”.

(1) [ICMA Green Bond Principles \(June 2025\)](#).

(2) [ICMA Social Bond Principles \(June 2025\)](#).

(3) [ICMA Sustainability Bond Guidelines \(June 2021\)](#).

(4) [ICMA Guidelines for Sustainability-Linked Loans financing Bonds \(June 2024, including June 2025 Annex on FAQ\)](#).

(5) [ICMA Climate Transition Bond Guidelines \(November 2025\)](#).

(6) [UN Sustainable Development Goals](#). Any references to the UN SDGs within this Framework are provided solely for general information and reflect an indicative, best effort mapping of potential positive impacts and should not be interpreted as indicating that any Eligible Assets are fully aligned or compliant with, or have been formally assessed against, the UN SDGs or their underlying targets or indicators. NatWest Group makes no representation, warranty or assurance and accepts no responsibility or liability regarding whether any Eligible Asset (or projects thereunder) advances, supports, or achieves the purpose or objective of any referenced SDG. Any list of UN SDGs or illustrations of potential linkages is provided on a non exhaustive, non-prescriptive, and purely indicative basis.

(7) [EU Taxonomy – Substantial Contribution Criteria](#). References to the environmental objectives and relevant economic activities under the EU Taxonomy, are provided for information and indicative guidance only. These references should not be interpreted as indicating that any Eligible Assets are fully aligned with, compliant with, or assessed against the environmental objectives or economic activities under the EU Taxonomy.




Use of Proceeds

An amount equivalent to the net proceeds of the Sustainable and Transition Financing Instruments issued under this Framework is intended to be allocated to “Eligible Assets”¹, in accordance with the eligibility criteria set out below.

Eligible Assets are loans², investments, or other financial assets³, originated or acquired by NatWest Group, that meet the relevant eligibility definitions under this Framework. These assets may fall under green categories (the “Eligible Green Assets”), transition categories (the “Eligible Transition Assets”), social categories (the “Eligible Social Assets”) and/or Sustainability-Linked Loan (SLLs) financing categories (the “Eligible Sustainability-Linked Loans financing Assets”).

The eligible categories for these use of proceeds are presented in Sections 4.1, 4.2, 4.3 and 4.4, respectively.

4.1. Eligible Green Assets

Eligible Green Asset Category (as per ICMA GBP)	Description of the Eligible Green Asset ¹	Corresponding environmental objective under the EU Taxonomy and relevant economic activities	UN SDGs
Green buildings	<p>Eligible Assets for the construction, acquisition or retrofitting of green buildings which meet the regional, national, or internationally recognised standards or certifications outlined below:</p> <ul style="list-style-type: none"> UK Domestic property which scores A or B according to the Energy Performance Certificate (“EPC”) rating or Standard Assessment Procedure⁴ (“SAP”) score of 86+, or any other equivalent methodology. UK Commercial or Public property rated at least “Excellent” according to BREEAM, or that which is rated at least BRE Home Quality Mark 4*, or at least “Gold” according to LEED, or that which is at least rated 5 according to NABERS, or any other comparable certification where available. Retrofit or renovation of existing buildings which result in energy savings of at least 30% in comparison to the baseline performance of the building before the renovation, measured in kWh/m² per year⁵. <p>Use of sustainable building materials including, but not limited to wood/timber in construction, including associated value chain activities, e.g. transportation and storage.</p>	<p>Substantial Contribution to Climate Change Mitigation:</p> <p>7.1. Construction of new buildings.</p> <p>7.3. Installation, maintenance and repair of energy efficiency equipment.</p> <p>7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.</p> <p>7.7. Acquisition and ownership of buildings.</p> <p>Including Transitional Activities:</p> <p>7.2. Renovation of existing buildings.</p>	

(1) The description of Eligible Assets do not create or imply any representation, warranty or assurance regarding alignment, nor any responsibility or liability as to whether any funding or financing made or reported under an Eligible Asset furthers or achieves the objectives of any referenced framework.

(2) Includes mortgages term loans, trade loans and revolving credit facilities



(3) Includes hire purchase agreements, finance and operating leases, rental contract hire agreements

(4) [UK Government – Standard Assessment Procedure](#).

(5) Retrofit and renovation examples include insulation of walls and roofs, LED lighting, replacement of boilers and other heating or cooling systems with ground-source or air-source heat pumps, installation of energy management systems, refurbishment of heating, ventilation and air conditioning systems, renovating, maintenance and repair of energy efficiency equipment, devices for measuring, regulation and controlling energy performance of buildings and on-site renewable energy technologies (such as solar and wind).



Use of Proceeds

Eligible Green Asset Category (as per ICMA GBP)	Description of the Eligible Green Asset ¹	Corresponding environmental objective under the EU Taxonomy and relevant economic activities	UN SDGs
Renewable energy	<p>Eligible Assets for the generation, equipment, development, manufacturing, construction, operation, storage, and maintenance of renewable energy generation sources, including but not limited to:</p> <ul style="list-style-type: none"> • Wind projects, including onshore and offshore wind energy projects. • Concentrated solar power or solar photovoltaic energy projects. • Hydropower/hydroelectric projects ². • Ocean energy technologies (wave and tidal) for electricity generation. • Geothermal energy ³. • Green hydrogen. • Assets to support electricity transmission and distribution projects which facilitate the development of renewable energy projects by connecting them to the National Grid in the UK or the interconnected European grid system. • Bioenergy (including with Carbon Capture and Storage). • Manufacture, sale and lease of battery and storage systems, battery and storage infrastructure, solutions for energy, transport and other relevant sectors, including gigafactories, R&D and project/new technology demonstration. • Electrification of agricultural equipment and sustainable fuel use such as electrification or energy generation such as solar and wind. • New and enhancement of existing district heating or cooling generation through low-carbon solutions, such as electrification and renewables, including distribution networks improvement. • Electrified technologies or assets used in support of the built environment. • Activities that facilitate and develop data-driven sustainable climate and environmental solutions that reduce GHG emissions. 	<p>Substantial Contribution to Climate Change Mitigation:</p> <ul style="list-style-type: none"> 3.1. Manufacture of renewable energy technologies. 3.4. Manufacture of batteries. 3.10. Manufacture of hydrogen. 4.1. Electricity generation using solar photovoltaic technology. 4.2. Electricity generation using concentrated solar power (CSP) technology. 4.3. Electricity generation from wind power. 4.4. Electricity generation from ocean energy technologies. 4.5. Electricity generation from hydropower. 4.6. Electricity generation from geothermal energy. 4.9. Transmission and distribution of electricity. 4.10. Storage of electricity. 4.12. Storage of hydrogen. 4.14. Transmission and distribution networks for renewable and low-carbon gases. 7.6. Installation, maintenance, and repair of renewable energy technologies. 	 





(1) See footnote (1) on page 5

(2) Hydropower/hydroelectric projects complies with either of the following criteria: the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; the power density of the electricity generation facility is above 5 W/m² (if in operation before 2020) or above 10 W/m²(if in operation on or after 2020); the life cycle GHG emissions from the generation of electricity from hydropower are lower than 100g CO₂e/kWh (if in operation before 2020) or lower than 50g CO₂e/kWh (if in operation on or after 2020).

(3) The life cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100g CO₂e/kWh.






Use of Proceeds

Eligible Green Asset Category (as per ICMA GBP)	Description of the Eligible Green Asset ¹	Corresponding environmental objective under the EU Taxonomy and relevant economic activities	UN SDGs
Energy efficiency	<p>Eligible Assets to support customers involved in the development, manufacture, repair, maintenance or installation of energy efficiency technologies, products, and systems including, but not limited to:</p> <ul style="list-style-type: none"> Eligible assets supporting Transmission grid infrastructural development and improvement projects including but not limited to new technology integration, such as AI/Cloud, and systems' infrastructural upgrades to optimise grid performance, retrofit of transmission lines, cables, storage units, interconnectors, distribution systems or substations to reduce energy loss/consumption, and investments to improve grid capacity and efficiency. 	<p>Substantial Contribution to Climate Change Mitigation:</p> <ul style="list-style-type: none"> 3.5. Manufacture of energy efficiency equipment for buildings. 7.3. Installation, maintenance, and repair of energy efficiency equipment. 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. 8.1. Data Processing, hosting and related activities. 9.3. Professional services related to energy performance of buildings. 	 
Clean transportation	<p>Eligible Assets supporting the transition to the low carbon transportation of people and materials including for the development, sale, operation, and upgrade of infrastructure projects to support this transition. Examples including but not limited to:</p> <ul style="list-style-type: none"> Sustainable low carbon transportation including, but not limited to electric cars, electric buses, micro-mobility (including e-cargo), electric trucks, electric trains, electric shipping, electric inland freight water transportation etc. Development, manufacture, installation, operation, maintenance repair and upgrade of low carbon transportation including but not limited to electric vehicle charging infrastructure and hydrogen fuelling infrastructure. Transportation infrastructure manufacturers of components above. Activities or infrastructure that promote "non-motorised" or "active" mobility modes, for example urban planning and development that leads to a reduction in the use of passenger cars including, but not limited to, creating walking communities, shared bike schemes, improving transit connectivity, facilitating multiple land-use or developing car-free city areas). 	<p>Substantial Contribution to Climate Change Mitigation:</p> <ul style="list-style-type: none"> 6.1. Passenger interurban rail transport. 6.2. Freight rail transport. 6.3. Urban and suburban transport, road passenger transport. 6.4. Operation of personal mobility devices, cycle logistics. 6.5. Transport by motorbikes, passenger cars and light commercial vehicles. 6.6. Freight transport services by road. 6.7. Inland passenger water transport. 6.11. Sea and coastal passenger water transport. 6.13. Infrastructure for personal mobility, cycle logistics. 6.14. Infrastructure for rail transport. 6.15. Infrastructure enabling low-carbon road transport and public transport. 7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). 	
Pollution prevention and control	<p>Eligible Assets for the development, construction, operation, and maintenance of sustainable waste management projects, including, but not limited to:</p> <ul style="list-style-type: none"> Waste collection and processing, for the recycling of non-hazardous waste Air, soil, and water pollution control. 	<p>Substantial Contribution to Climate Change Mitigation:</p> <ul style="list-style-type: none"> 5.5. Collection and transport of non-hazardous waste in source segregated fractions. 	

(1) See footnote (1) on page 5



Use of Proceeds

Eligible Green Asset Category (as per ICMA GBP)	Description of the Eligible Green Asset ¹	Corresponding environmental objective under the EU Taxonomy and relevant economic activities	UN SDGs
<p>Environmentally sustainable management of living natural resources and land use</p>	<p>Eligible Assets supporting sustainable landscape management and agro-forestry including but not limited to:</p> <ul style="list-style-type: none"> Hedgerow and tree planting. <p>Eligible Assets supporting certified sustainable forestry, including, but not limited to:</p> <ul style="list-style-type: none"> The Forest Stewardship Council (FSC) standard. The Programme for the Endorsement of Forest Certification (PEFC). or The Sustainable Forestry Initiative (SFI). <p>Eligible Assets supporting sustainable and/or regenerative farming practices including but not limited to:</p> <ul style="list-style-type: none"> Paddock grazing systems. Introduction of livestock into arable rotations. Temporary and permanent fencing. Drinking water systems. Rotational farming. Growing of crops that fix nitrates in soil (e.g. clover). Companion cropping. Crop and livestock sensors. Minimum tillage cultivations and sowing. Direct drilling. Vertical farms or greenhouses with sustainable practices with regards to energy. Air and carbon management. Water use. Hydroponics or aeroponics. <p>Eligible Assets supporting sustainable agriculture, including, but not limited to:</p> <ul style="list-style-type: none"> Farms certified in compliance with the UK ² or EU ³ organic farming regulation. Assets and practices supporting the application of sustainable fertilisers and pesticides including, but not limited to, precision fertiliser/pesticide application technologies and crop sensors. 	<p>Substantial Contribution to Climate Change Mitigation:</p> <ol style="list-style-type: none"> Afforestation. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event. Forest management. Conservation forestry. <p>2.1. Restoration of wetlands.</p>	  




(1) See footnote (1) on page 5

(2) In the UK, compliance with organic farming legislation is certified by “approved control bodies” appointed by the UK Government such as Organic Farmers & Growers, Organic Food Federation, Soil Association Certification, Biodynamic Association Certification, Quality Welsh Food Certification and OF&G Scotland. More information can be found at: [UK Government – Organic products: approved UK control bodies](#).

(3) Excludes loans advanced exclusively for livestock farming.








Use of Proceeds

Eligible Green Asset Category (as per ICMA GBP)	Description of the Eligible Green Asset ¹	Corresponding environmental objective under the EU Taxonomy and relevant economic activities	UN SDGs
<p>Environmentally sustainable management of living natural resources and land use (cont'd)</p>	<p>Eligible Assets supporting sustainable fishing practices including but not limited to aquaculture and fish farms that use innovative technologies/ approaches, such as, but not limited to:</p> <ul style="list-style-type: none"> • Fallow year practice. • Conservation of critical or sensitive habitat. • Maintenance of wildlife corridors or buffers. • Water quality enhancement projects. <p>Eligible Assets supporting certified sustainable fisheries:</p> <ul style="list-style-type: none"> • Aquaculture Stewardship Council. • Global G.A.P. Aquaculture Standard Eligible. <p>Sustainable biochar production and application. Bioenergy crops on marginal land.</p>		
<p>Terrestrial and aquatic biodiversity conservation</p>	<p>Eligible Assets supporting the creation, protection, management, and restoration of biodiversity, habitat, and ecosystems by taking mitigation and compensation measures. Including, but not limited to:</p> <ul style="list-style-type: none"> • Soil, peatland, saltmarsh and pasture remediation. • Agriculture (crop and livestock production). • Rewilding. • Forestry (afforestation and reforestation). • Renewable energy generation. • Water (supply and waste). • Non-fossil fuel transport. <p>Activities that maximise environmental net gains by promoting biodiversity and nature-based solutions in the built environment included but not limited to:</p> <ul style="list-style-type: none"> • Habitat creation. • Habitat restoration. • Green-infrastructure projects. 	<p>Substantial Contribution to Climate Change Mitigation:</p> <ol style="list-style-type: none"> 1.1. Afforestation. 1.2. Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event. 1.3. Forest management. 1.4. Conservation forestry. 2.1. Restoration of wetlands. <p>Substantial Contribution to Biodiversity:</p> <ol style="list-style-type: none"> 1.1 Conservation, including restoration, of habitats, ecosystems and species. 	  

(1) See footnote (1) on page 5



Use of Proceeds







Eligible Green Asset Category (as per ICMA GBP)	Description of the Eligible Green Asset ¹	Corresponding environmental objective under the EU Taxonomy and relevant economic activities	UN SDGs
Sustainable water and wastewater management	<p>Eligible Assets supporting sustainable water and wastewater management including but not limited to:</p> <ul style="list-style-type: none"> Activities that improve water and soil quality and increase water use efficiency including but not limited to water treatment facilities and water metering. Water collection saving, treatment, recycling, re-use, upgrades, technologies, and related infrastructure: including, but not limited to, anaerobic digestion of sewage, sludge, and bio-waste. This excludes wastewater treatment for fossil fuel activities, such as, but not limited to, exploration, extraction and production. 	<p>Substantial Contribution to Climate Change Mitigation:</p> <ol style="list-style-type: none"> Construction, extension and operation of water collection, treatment, and supply systems. Renewal of water collection, treatment, and supply systems. Construction, extension and operation of wastewater collection and treatment. Renewal of wastewater collection and treatment. Anaerobic digestion of sewage sludge. Anaerobic digestion of bio-waste. 	 
Climate change adaptation	<p>Eligible Assets to support climate change adaptation and mitigation solutions and initiatives; including, but not limited to:</p> <ul style="list-style-type: none"> Sustainable coastal zone management and, flood defence and early warning systems. Water resource management. Extreme weather management. Natural resource management and agrobiodiversity. Hydroculture. 	<p>Substantial Contribution to Climate Change Adaptation:</p> <ol style="list-style-type: none"> Flood risk prevention and protection infrastructure. 	 
Circular Economy adapted products, production technologies and process	<p>Eligible Asset to support non-conventional waste management, disposal, and circular economy activities: including, but not limited to source reduction, in-process recycling, reuse, sorting projects, resource recovery and treatment.</p>	<p>Substantial Contribution to Circular Economy:</p> <ol style="list-style-type: none"> Repair, refurbishment and remanufacturing. Preparation for re-use of end-of-life products and product components. <p>Substantial Contribution to Climate Change Mitigation:</p> <ol style="list-style-type: none"> Material recovery from non-hazardous waste. 	

(1) See footnote (1) on page 5



Use of Proceeds

4.2. Eligible Transition Assets

Eligible Transition Asset Category (as per ICMA CTBG) ¹	Description of the Eligible Transition Assets ²	UN SDGs
Carbon Capture, Utilisation and Storage (CCU, CCS), and carbon removal technologies	<p>Eligible Assets supporting:</p> <p>Low Carbon Technology/Fuels and Offsetting Technology</p> <ul style="list-style-type: none"> New or retrofit of existing infrastructure dedicated to blue hydrogen production, transportation and storage, including CCS retrofit. <p>Power & Utilities</p> <ul style="list-style-type: none"> Gas power generation with CCS including transportation and storage infrastructure. Energy from waste with CCS. 	  
Lower-carbon transportation, fuels and enabling technologies	<p>Eligible Assets supporting:</p> <p>Land Transport</p> <ul style="list-style-type: none"> Heavy duty fleet upgrade to enable alternative fuel usage, such as biofuels, synthetic e-fuels and hydrogen. Lower carbon transportation: such as plug-in hybrid and e-fuels cars and LGVs where tailpipe emissions are <50g CO₂/p-Km. Sustainable transportation methods, systems and providers which contribute to reducing the circulation of vehicles, including, but not limited to public transport fleets such as buses and trains. <p>Aviation</p> <ul style="list-style-type: none"> Sustainable low carbon transportation including infrastructural projects of airports and fleet upgrade to enable transition to sustainable aviation/alternative fuel usage, such as biofuels, carbon-neutral synthetic fuels and hybrid electric. <p>Shipping</p> <ul style="list-style-type: none"> Fleet upgrade and retrofit to enable alternative low carbon fuel usage, such as hydrogen, ammonia from hydrogen, renewable-methanol and biofuels. This includes infrastructural projects for ports. Use of new tankers or retrofit of existing tankers for CO₂ transport. <p>Agriculture</p> <ul style="list-style-type: none"> Sustainable waste management practices including but not limited to: slurry store covers, anaerobic digesters, construct sprayer wash bay and dirty water treatment systems, waste re-use (e.g. aviation fuel). Sustainable fuel use and generation such as biofuels and hydrogen (except when produced from unabated fossil fuels). Hybrid agricultural machinery. Agricultural machinery upgrades to enable alternative fuel usage such as biofuels or hydrogen (excluding where produced from unabated fossil fuels). Methane reduction processes and technologies associated with livestock farming, i.e. diet supplements, selective breeding etc. 	  

(1) Eligible Transition Asset Categories are informed by the Climate Transition (CT) Project categories referenced by ICMA Climate Transition Bond Guidelines (“Guidelines”). ICMA recognises that the list of eligible CT Project categories is preliminary and non-exhaustive, may vary by geography, and is expected to evolve over time as low-carbon transition pathways develop. **Additional project categories may be eligible.**

(2) See footnote (1) on page 5



Use of Proceeds

Eligible Transition Asset Category (as per ICMA CTBG) ¹	Description of the Eligible Transition Assets ²	UN SDGs
<p>Lower-carbon transportation, fuels and enabling technologies (cont'd)</p>	<p>Eligible Assets supporting:</p> <p>Low Carbon Technology/Fuels and Offsetting Technology</p> <ul style="list-style-type: none"> • Blue or pink hydrogen-based ammonia production including hydrogen production and distribution infrastructure. • New or retrofit of existing infrastructure dedicated to blue hydrogen production, transportation and storage, including CCS retrofit. • Low carbon energy sources such as biofuels production. • Sustainable airline fuels including but not limited to: e-synthetic fuels and bio-fuels, including bio-jet kerosene. • Sustainable shipping fuels including but not limited to: blue or pink hydrogen, sustainable-methanol, biofuels and ammonia. • Biogas and biomethane production including associated value chain activities. <p>Power & Utilities</p> <ul style="list-style-type: none"> • Blue or pink hydrogen power generation. • Nuclear power generation, including R&D of nuclear processes. Its scope may extend to Advanced Modular Reactors and Small Modular Reactors. • Development, manufacture and/or installation of energy efficiency technologies, products and systems including but not limited to, smart grid technologies, distributed generation, peak demand management. • Smart meters for electricity. • Energy efficient lighting. • Highly efficient heating, ventilation, and air-conditioning (HVAC) systems. • Devices measuring, regulating, or controlling energy performance of buildings. • Upgrade of existing broadband networks (e.g., copper) to fibre optic. • Activities that facilitate and develop energy efficient data centres, data processing, hosting and related activities. <p>Information Technology</p> <ul style="list-style-type: none"> • Activities that facilitate and develop data-driven sustainable climate and environmental solutions that reduce GHG emissions. • Activities that facilitate and develop energy efficient data centres, data processing, hosting and related activities. 	




(1) See footnote (1) on page 11

(2) See footnote (1) on page 5



Use of Proceeds

4.3. Eligible Social Assets




Eligible Social Asset Category (as per ICMA SBP)	Description of the Eligible Social Assets ¹	Expected Social Benefit and Target Population	UN SDGs
<p>Access to Essential Services: Healthcare</p>	<p>Eligible Assets that enhance access to healthcare services in the UK and Europe which are affiliated with the NHS, part of the NHS trust or are more broadly accessible to the whole public through government spending, subsidies, or social security. This includes, but is not limited to the development, expansion or acquisition of buildings, facilities and equipment relating to hospitals, laboratories, clinics, healthcare, and hospices.</p> <p>Eligible Assets which support the funding of children’s paediatric care or affordable maternal and reproductive healthcare products and services for women, in each case which are affiliated with the NHS, part of the NHS trust or are more broadly accessible to the whole public through government spending, subsidies or social security.</p> <p>Eligible Assets which support the funding of health-related R&D programmes supporting the NHS (such as new medicines, treatments, vaccinations, or health equipment).</p>	<p>Enhancing access to quality, timely and accessible healthcare for the general population supported by the national healthcare system, including the elderly (those aged 66 or over), children, women, and individuals with physical or mental conditions.</p>	
<p>Access to Essential Services: Education and Vocational Training</p>	<p>Eligible Assets that enhance access to essential services which are broadly available to the whole public through government spending or subsidies. This includes but is not limited to:</p> <ul style="list-style-type: none"> • The development, expansion or acquisition of buildings, facilities, and equipment (e.g., books and teaching materials) relating to the provision of child, youth or adult education and vocational training services. • Projects and schemes to train teachers and/or educators. 	<p>Increase access to quality and accessible education and vocational training, particularly low-income students, and educators.</p>	
<p>Socioeconomic Advancement and Empowerment: Women Empowerment</p>	<p>Eligible Assets in support of:</p> <ul style="list-style-type: none"> • Women sole traders. • Unincorporated partnerships where the majority of partners are women. • Limited liability partnerships or incorporated small and medium size enterprises (“SMEs ²”) where over 50% of the ownership or economic distributions are to women. <p>Eligible Assets to support charities and not-for-profits which help to fund projects, schemes and initiatives that provide women with access to technology, information (advice or mentorship), financial services or family care support to support them starting a business.</p>		

(1) See footnote (1) on page 5

(2) SME as defined in the UK Companies Act 2006.



Use of Proceeds

Eligible Social Asset Category (as per ICMA SBP)	Description of the Eligible Social Assets ¹	Expected Social Benefit and Target Population	UN SDGs
Affordable Housing	<p>Eligible Assets to UK accredited or registered Housing Associations, which are not-for-profit organisations supporting the provision of affordable housing in the UK and contribute to enhanced access for low-income residents or marginalised communities. The Housing Associations offer social rented, affordable rented and intermediate housing to specified eligible households whose needs are not met by the private market. To be classified as an Eligible Social Asset, the Housing Associations must be involved in the construction, management, or refurbishment of properties for at least one of the following:</p> <ul style="list-style-type: none"> • Social Rent ². • Affordable Rent ³. • Shared Ownership ⁴. • Supported Housing ⁵. <p>In addition to lending directly to UK accredited and registered Housing Associations, Eligible Social Assets also includes mortgages to individuals/families purchasing their home under government backed schemes:</p> <ul style="list-style-type: none"> • Shared Ownership, with an annual household income less than the national median ⁶. • Right to Buy schemes ⁷. 	<p>Supports universal access to decent housing which ultimately benefits individuals or families needing sheltered housing, individuals or families on low income and/or on income allowances or benefits, and homeless individual.</p>	 
Employment Generation: Sole Traders, Partnerships and SMEs	<p>Eligible Assets to support sole traders, partnerships, and SMEs with geo-scoring ⁸ of areas with high unemployment and/or low income, with potential targeting of specific sectoral activity codes ⁹.</p>	<p>Supporting people residing in socioeconomically disadvantaged areas to gain or sustain employment and ultimately improving skills and economic activity within these areas.</p>	

(1) See footnote (1) on page 5

(2) Social Rent – Involves homes are provided by local authorities and housing associations. Rent levels are around 50-60% of market rents for the local area and rent increases are limited by Government. This usually results in a more secure, long-term tenancy than private renting.

(3) A scheme open to a broader range of household incomes than social rent and involves homes provided by local authorities and Housing Associations with controls that ensure rents charged are no high than 80% of local market rent. This scheme is also sometimes known as Intermediate Rent.

(4) A scheme which allows applicants to purchase a share of a property (between 25% and 75%) from a Housing Association, paying an affordable rent on the part still owned by the Housing Association. An individual's eligibility to access shared ownership housing is subject to certain criteria and conditions including household income cap.

(5) A scheme where housing, support and sometimes care services are provided to help people to live as independently as possible in the community. Examples include care, nursing, and sheltered housing.

(6) The median (5th decile) annual house income in the UK was £44,663 for 2020/2021. Source: Office of National Statistics (Table 14: Average household incomes, taxes and benefits of ALL individuals by decile group, 2020/21).

(7) A scheme designed to allow long standing tenants of Housing Association-owned property to purchase the property at a discount to the market.

(8) SMEs and individuals must be located in an economically underperforming region of the UK. Economically underperforming regions are defined as areas ranking in the bottom 30 Percentile in terms of Local Administrative Unit (LAUs) ranked based on two indicators such as Gross Value Added per head ("GVA") and Unemployment Claimant Percentage ("UCP").

(9) If specific sectoral activity codes are targeted, details will be provided in the associated impact report.



Use of Proceeds

4.4. Eligible Sustainability-Linked Loans (SLLs) financing Assets

To qualify for inclusion in the NatWest Group Sustainability-Linked Loans financing Assets Portfolio (“SLL Portfolio”), each SLL must be aligned with the latest Loan Market Association (LMA) Sustainability-Linked Loan Principles (SLLPs) or ICMA Sustainability Linked Bond Principles (SLBPs) at the time when the SLL facility was signed. Eligible SLLs must include **at least one environmental KPI**, with a specific focus on **climate, nature or greenhouse gas related metrics**, reflecting the material sustainability drivers of the borrower’s business. NatWest Group may consider the **ICMA KPI Registry**¹ as a reference point, along with other criteria, when assessing whether KPIs are sufficiently material, relevant and ambitious, and whether they should be treated as Core or Secondary KPIs.

NatWest Group will allocate the proceeds from SLLBs only to the drawn portion of each eligible SLL.

To avoid double counting of assets under an SLLB, an eligible loan will not be included as an Eligible Green Asset, Eligible Social Asset, or Eligible Transition Asset for use of proceeds instruments issued under the Framework.



Illustrative
(non-exhaustive)
examples of KPIs
that may be
considered to
include:

- Scope 1 and 2 GHG emission intensity.
- Scope 1 and 2 absolute GHG emissions reduction.
- Absolute Scope 3 emissions.
- Percentage reduction of total Scope 3 emissions versus baseline.
- Percentage of supply chain (by spend on capital goods) with SBTi aligned commitments.
- Improvement in building or portfolio level EPC ratings (A, B, C).
- Percentage of operational waste recycled.
- Area of enhanced or protected land (hectares).

(1) ICMA Illustrative KPI Registry.



Evaluation and Selection Process

This Framework operates alongside and is subject to all NatWest Group’s existing policies and procedures, including our Environmental & Social (E&S) Risk Framework where the customer is in scope of one of our E&S Sector Risk Acceptance Criteria ¹. Additionally, this Framework may not finance any activities listed in Appendix 1 (Excluded Sectors), and any such activities will be excluded from the Eligible Assets.

When assets are to be earmarked for sustainable or transition financing under this Framework, they will attain a sample check from the Reputational, Environmental and Social Risk Team to ensure that they meet our standards. For further details see NatWest Group’s ESG Policies and Downloads Repository ².

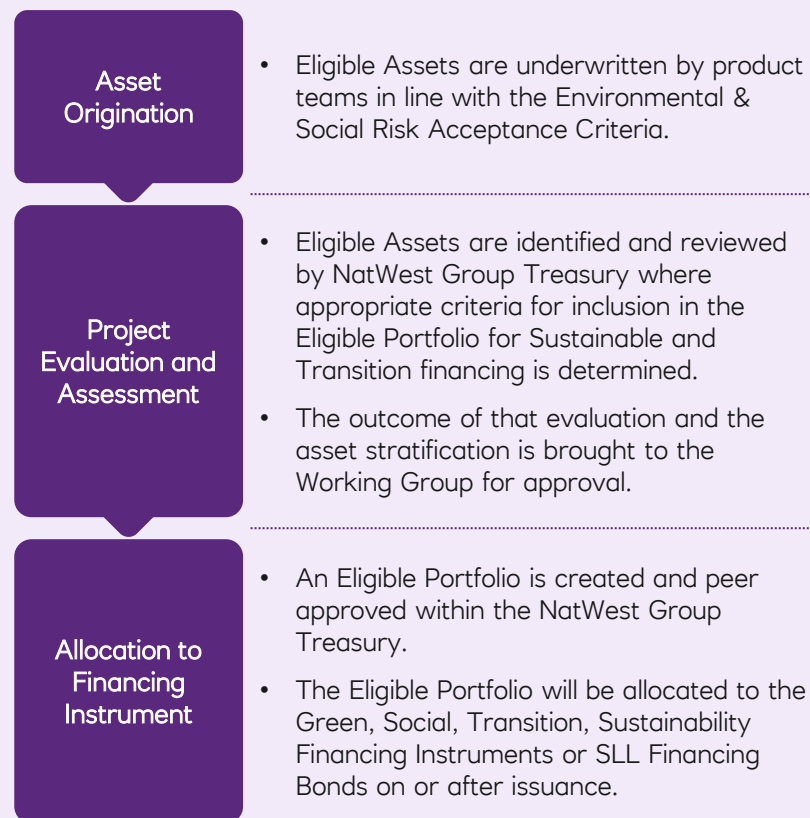
5.1. Sustainable and Transition Financing Working Group

The Sustainable and Transition Financing Working Group (the “Working Group”) is responsible for ensuring that assets are in compliance with the definitions set out in this Framework for the relevant Sustainable and Transition Financing Instruments. The Working Group meets monthly when possible, and is responsible for:

- Approval of the proposed Eligible Assets for inclusion in the portfolio (“Eligible Portfolio”) as set out in Section 4 (“Use of Proceeds”), including compliance with the Appendix 1 (Excluded Sectors).
- Managing the Eligible Portfolio over the lifetime of the outstanding Sustainable and Transition Financing Instruments to ensure that proceeds are used solely for the financing and refinancing of the Eligible Assets.
- Monitoring developments in the wider sustainable finance market and updating this Framework and the definition of Eligible Assets accordingly if required.
- The evaluation and selection process to facilitate external verification (if required) of whether selected assets meet the Eligible Assets definitions. Internal governance documents define the eligibility criteria and underlying assumptions applicable to the Sustainable and Transition Financing Framework, as well as the operational processes used to assess, select, approve, and manage Eligible Assets throughout their lifecycle.

Core members of the Working Group are delegated from the following teams across NatWest Group: Treasury Debt Capital Markets (“Treasury team”), Sustainability, Finance Reporting and Control, Risk. Additional attendees (for example from Investor Relations, Legal, Reputational Risk, Chief Economist, and other subject-matter experts) may also join Working Group meetings from time to time, as required.

Figure 1 below presents the process for evaluation and selection undertaken from asset origination to allocation to Sustainable and Transition Financing Instruments.



(1) NatWest Group – Environmental & Social (E&S) and Reputational Risk Management.

(2) NatWest Group – ESG Policies and Downloads Repository.



Evaluation and Selection Process

5.2. Process for Evaluation and Selection of Sustainability-Linked Loans (SLLs) financing Assets

NatWest Group have developed an SLL review process, which includes the population of an internal review document that assess the SLL KPIs with respect to the strategy of the borrower and the ambitiousness of KPIs in question whilst also considering historical performance and the ability to measure or quantify KPIs on a consistent methodological basis. The Loan Market Association (LMA) Sustainability Linked Loan Principles (SLLPs) are referred to throughout this review process. Where practicable, the KPIs are mapped to industry benchmarks for reference. In addition to this, the review process also entails an assessment of SPTs, loan characteristics and reporting requirements (detailed below).

Sustainability Performance Targets (SPTs)

NatWest Group reviews the calibration of each SPT to ensure it represents a meaningful and measurable improvement beyond a business-as-usual trajectory and is supported by a robust and a transparent methodology.

The review of SPTs is conducted across three core dimensions:

- **Ambition and Benchmarking:** SPTs are expected to demonstrate a high level of ambition and are benchmarked against historical performance, industry peers, sector standards, and, where feasible recognised scientific scenarios or national and international climate frameworks.
- **Credibility and Methodological Robustness:** NatWest Group assesses the integrity of SPTs by reviewing the baseline year and its appropriateness, as well as data quality, availability and calculation methodologies and their respective underlying assumptions.
- **Strategic Alignment and Deliverability:** NatWest Group ensures that the SPTs align closely with the borrower's broader sustainability and commercial strategies and governance frameworks so that the targets remain ambitious, credible, and relevant.

Loan Characteristics

SLLs included in this Framework incorporate financial characteristics that directly link sustainability performance to economic outcomes. This most commonly takes the form of a margin adjustment, whereby a margin reduction (or step-down) may be applied if predefined SPT(s) are met, while a margin increase (or step-up) may be applied upon failure of the borrower meeting predefined SPT(s). However, the precise nature of these mechanisms may vary. The magnitude and structure of these adjustments are defined in the loan documentation, with trigger dates for testing SPT performance also being specified, typically on an annual basis. As a result, each loan's economic outcome directly reflects the borrower's sustainability performance at each trigger date, leading to a margin step-up, step-down, or no net adjustment.

Reporting

The borrower is required to provide information on performance against the SPTs, including the related sustainability margin adjustment for the relevant test period, typically on at least an annual basis. Reporting should provide transparent and up-to-date information of performance, include methodologies, assumptions and any recalculations where relevant and enable tracking of progress against the agreed trajectory. In line with the LMA SLLPs, the borrower is required to obtain independent and external verification of their performance level against each SPT for the relevant test period. This is typically presented in the form of a sustainability compliance certificate, which enables the continued evaluation of alignment of the respective SLLs to the borrower's sustainability objectives. NatWest Group may engage with borrowers to ensure the consistency, comparability and robustness of reported information.

Client engagement following each annual KPI assessment is handled on a case-by-case basis and may depend on broader relationship considerations, such as upcoming refinancing, new lending discussions, or ongoing ESG related dialogue.



Evaluation and Selection Process

Selection

When a transaction is proposed as an SLL by the deal team, it is subject to a structured internal review process to assess the sustainability-linked features of the transaction. This assessment is conducted by internal sustainability subject-matter experts who evaluate the integrity and robustness of SPTs, materiality and relevance of KPIs to the borrower's core business and transition profile. This assessment is formally documented through a SLL review document, ensuring consistency, auditability and traceability of decisions. Where appropriate, transactions may be escalated to the Pan Commercial & Institutional ESG Product Forum, which provides a final recommendation to the deal team regarding the suitability of the proposed SLL.

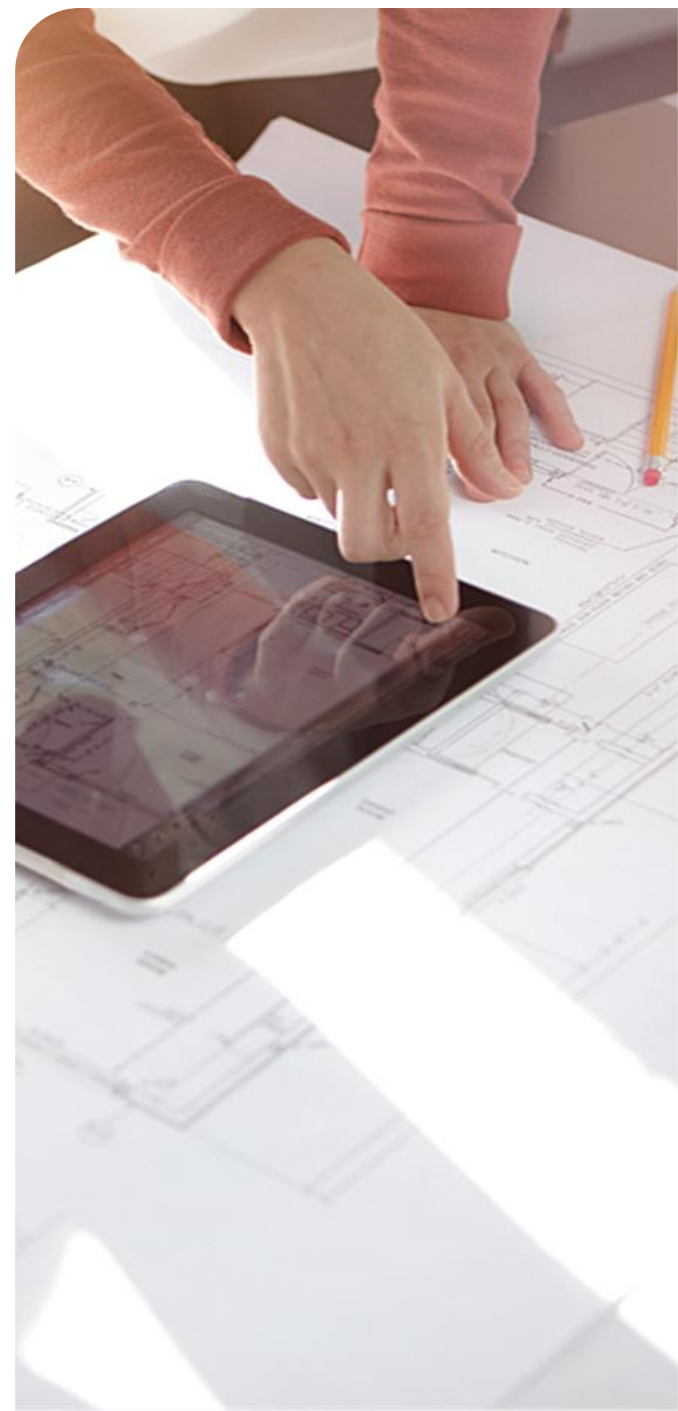
Following this internal review, the transaction is submitted for approval to a senior authorised representative of the Group. Once approved, the finalised documentation is communicated to the deal team and the relationship manager.

As mentioned in Section 4.4, for inclusion as Eligible Assets only structures that contain at least one climate, nature or greenhouse gas related metrics key performance indicator (KPI) are eligible under this Framework.

Sustainability Linked Loans (SLLs) financing Assets: Disqualification

An SLL remains eligible for the Eligible Portfolio only where the borrower demonstrates, on at least an annual basis, compliance with the requirements detailed in the loan agreement. Should a borrower fail to comply with the provisions of the SLL, for example by failing to provide a sustainability compliance certificate or equivalent reporting, including where such reporting is not provided within a reasonable period as determined by NatWest, the loan may be temporarily removed from the SLL funding portfolio until satisfactory evidence of compliance is subsequently provided. Importantly, failure to meet a KPI in a given period does not automatically trigger specific remediation or declassification (i.e. the loan ceasing to be designated as SLL); instead, the primary consequence is the corresponding margin adjustment applied under the SLL structure.

NatWest Group reserves the right to exclude or remove any SLL from the Eligible Portfolio, where the structure no longer meets the requirements or intent of this Framework, where there is insufficient transparency, reporting or verification, or where other sustainability-related concerns arise. Where feasible, such requirements will also be formally documented within the loan documentation with reference to the SLLPs. The Working Group also may disqualify loans that do not align with changes to internal frameworks or that present sustainability-related concerns.





Evaluation and Selection Process

5.3. Exclusions

We will take reasonable steps to ensure that proceeds from Sustainable and Transition Financing Instruments issued under this Framework are not knowingly allocated to assets or activities associated with businesses or enterprises operating in industries considered to pose potential negative social or environmental impacts. Consideration of reputational risk forms part of NatWest Group's Reputational Risk Management process, which applies for example to customer onboarding, retention and exit decisions across the Group.

Consistent with exclusions listed on NatWest Group's website¹, assets that fall within any of the following categories are ineligible for proceeds from Sustainable and Transition Financing Instruments issued under this Framework:

1. Businesses or projects 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, and weapons
2. Businesses or projects that are found to have engaged in illegal business practices. As part of NatWest Group's risk management processes, customers are subject to relevant credit, legal and environmental and social risk assessments, including review under NatWest Group's Environmental and Social Risk Framework where they fall within scope.
3. Businesses or projects which are known to have been involved with an ESG controversy, which warranted an escalation to the Reputational Risk Committee.
4. Non-performing loans and encumbered assets are also ineligible for allocation of the proceeds to Sustainable and Transition Finance Instruments raised under this Framework.

5.4. Environmental and Social Risk Management

NatWest Group has established an Environmental and Social (E&S) Risk Framework to help assess and manage potential adverse environmental and social impacts, including polluting activities and potential human rights violations.

Our E&S Risk Framework² comprises policies and processes designed to give us better insight into our customers' activities and to address areas of concern. It forms part of NatWest Group's overall reputational risk policy and requires enhanced due diligence to be performed for certain customer relationships, transactions, activities, and projects. Risk officers and customer-facing colleagues receive regular training on E&S risks and associated procedures.

Our policies reflect applicable national and international laws and set out our expectation that customers adhere to relevant environmental, social and human rights standards. They also incorporate several voluntary standards such as the Equator Principles (EP)³ and the UN Global Compact. Further details on our E&S policies are available on the NatWest Group website.

(1) [NatWest Group – ESG policies and downloads repository](#)

(2) [NatWest Group – Environmental & Social \(E&S\) and Reputational Risk Management](#).

(3) [NatWest Group – Equator Principles](#).





Management of Proceeds

NatWest Group will manage an amount equivalent to the net proceeds of the Sustainable and Transition Financing Instruments with the intention of disclosing if we expect the full allocation to take place immediately or over time.

Following issuance, net proceeds will be managed by NatWest Group Treasury and allocated to assets that meet the Eligible Asset definitions (Section 4) and the Evaluation and Selection Process (Section 5). The Working Group will review and approve allocations quarterly, or as required. Assets that no longer meet the criteria set out in Section 4 will be removed and replaced as soon as practicable. NatWest Group will aim to maintain an Eligible Portfolio at least equal to the outstanding volume of Sustainable and Transition Financing Instruments.

Net proceeds of short-term funding instruments will be tracked and managed in the same manner as the Sustainable and Transition Financing Instruments.

Pending full allocation, proceeds may be temporarily held in cash, deposits or other short-term liquidity instruments, including commercial paper. The use of such instruments is intended as a short-term funding and liquidity management tool within the broader Framework, ensuring financing of Eligible Assets while maintaining flexibility.

Where assets unexpectedly mature such that the outstanding proceeds exceed the amount allocated to Eligible Assets, or where full allocation is not immediately possible, we will hold and/or invest any surplus proceeds at our discretion in cash or short-term liquid investments (including Green, Social, Sustainability-linked debt instruments where possible) until additional Eligible Assets are available.





Reporting

On an annual basis, and until full allocation is achieved, NatWest Group intends to publish a report detailing the allocation and impacts of the Sustainable and Transition Financing Instruments. This will be made available on the NatWest Group website ¹.

Each entity issuing any financing instruments under this Framework may publish its own allocation and impact report, where relevant and applicable.

On a best-effort basis, we aim to align our reporting with the approach described in the Harmonised Framework for Impact Reporting (June 2024) ² and the Harmonised Framework for Impact Reporting for Social Bonds (June 2025) ³, where relevant.

In the case of short-term instruments – including commercial paper – we aim to follow, on a best-efforts basis, the recommendations from ICMA’s paper on “The role of commercial paper in the sustainable finance market” (October 2024) ⁴, which identified best practices, such as reporting annually on the maximum and average amount of short-term instruments outstanding.

7.1. Allocation Reporting

Our allocation report aims to provide indicators, including:

- The total amount of proceeds allocated to each Eligible Asset category.
- The number of Eligible Assets included in the Eligible Portfolio.
- The balance of unallocated proceeds.
- The amount and percentage of new loans added to the Eligible Portfolio post initial allocation.

Sustainability Linked Loans (SLLs) financing Assets

For SLLBs NatWest Group also aim to provide indicators, including:

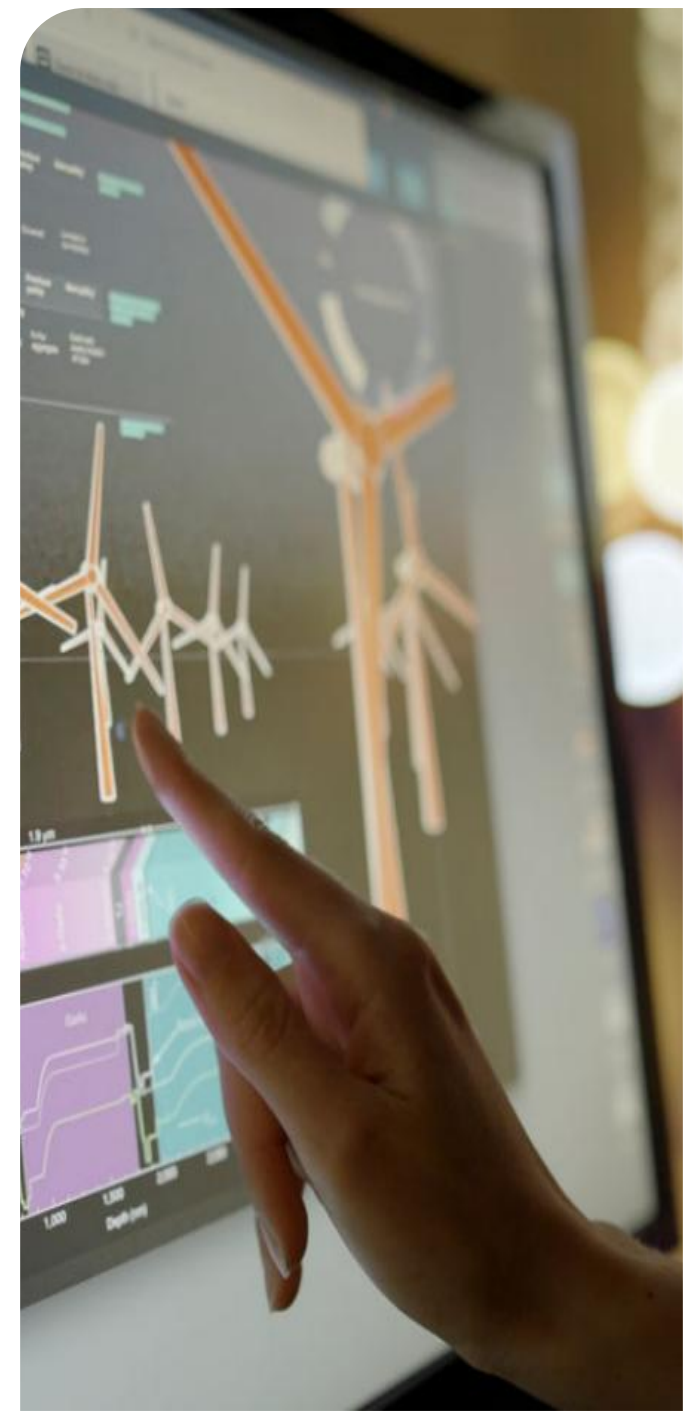
- The volume of SLLB proceeds allocated and/or the total size of the eligible SLL portfolio
- The sectoral and geographic distribution of the borrowers
- Details on borrower KPIs/SPTs and their achievement, presented alongside the borrowers’ underlying sectors
- The origination year of eligible SLLs
- Information on SLLs removed from eligibility as well as newly added SLLs.

(1) NatWest Group – Allocation and Impact Reports.

(2) ICMA Handbook – Harmonised Framework for Impact Reporting (June 2024).

(3) ICMA Handbook – Harmonised Framework for Impact Reporting for Social Bonds (June 2025).

(4) ICMA – The Role of Commercial Paper in the Sustainable Finance Market (October 2024).





Reporting

7.2 Impact Reporting

We aim to report metrics relevant to the different categories of the Eligible Assets to which proceeds have been allocated. This may include, but is not limited to, the below non-exhaustive list of indicators which may evolve over time.

Eligible Green Asset Impact Metrics		
Eligible Asset Category	Output/Impact Indicators	
Green buildings	<ul style="list-style-type: none"> Number of buildings with an EPC rating (or equivalent local energy efficiency certification). 	<ul style="list-style-type: none"> Estimated Carbon Emission Avoided (tCO₂ equivalent). Expected energy savings vs benchmark in MWh (electricity).
Renewable energy	<ul style="list-style-type: none"> Annual renewable energy generation in MWh. Annual production of green hydrogen. 	<ul style="list-style-type: none"> Estimated carbon emissions avoided through renewable energy (tCO₂ equivalent). Expected energy savings in MWh.
Energy efficiency	<ul style="list-style-type: none"> Expected energy savings (MWh). 	<ul style="list-style-type: none"> Estimated avoided GHG emissions (tCO₂ equivalent).
Pollution prevention and control	<ul style="list-style-type: none"> Quantity of recycled materials (tonnes). Quantity of waste that is prevented, minimised, reused or recycled (tonnes). 	<ul style="list-style-type: none"> NOx or SOx or particulates (PM2.5 and PM10) or VOC before and after the project. Annual emissions avoided (tCO₂ equivalent).
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> Area of natural landscape preserved (km²). Area of land under conservation practices (above legislation requirements) or recognised as legally protected (in ha or % of total area; increase in %). 	<ul style="list-style-type: none"> Ecologically sustainable agricultural production per hectare (tons).
Terrestrial and aquatic biodiversity	<ul style="list-style-type: none"> Area under monitoring for biodiversity protection (in ha or increase in %). 	<ul style="list-style-type: none"> Area of natural landscape preserved (km²).
Clean transport	<ul style="list-style-type: none"> Number of electric vehicle charging, or hydrogen filling stations installed, indicating total capacity. Number of electric vehicles financed. 	<ul style="list-style-type: none"> Estimated annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent (or %).
Sustainable water and wastewater management	<ul style="list-style-type: none"> Annual volume of wastewater treated. 	<ul style="list-style-type: none"> Number of people supplied with drinking water. Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³. Percentage decrease in freshwater consumption (%/litres). Water recycling rate calculated as the percentage of reused water (for agriculture, industrial, drinking or municipal applications) over total volumes of treated wastewater (%).
Climate change adaptation	<ul style="list-style-type: none"> Area of ecosystems restored or protected (hectares). Length of climate-resilient infrastructure constructed or upgraded (km). 	<ul style="list-style-type: none"> Reduction in climate-related economic losses (£).
Circular Economy adapted products, production technologies and process	<ul style="list-style-type: none"> Percentage of waste recycled into raw materials. Percentage of total operational waste diverted from landfills (measured as tons of waste recycled or reused divided by tons of total operational waste). 	<ul style="list-style-type: none"> Resource Reuse Rate.



Reporting

Eligible Transition Asset Impact Metrics

Eligible Asset Category	Output/Impact Indicators
Carbon Capture, Utilisation and Storage (CCU, CCS), and carbon removal technologies	<ul style="list-style-type: none"> Volume of GHG emissions sequestered per year (tCO₂ equivalent). Reduction in carbon intensity of activity (tCO₂ equivalent). Volume of GHG emissions reduced or avoided per year (tCO₂ equivalent).
Lower-carbon transportation, fuels and enabling technologies	<ul style="list-style-type: none"> Number of assets upgraded, retrofitted, or constructed to enable low-carbon or alternative fuel use (units). Annual reduction in GHG emissions (tCO₂ equivalent). Installed or upgraded low-carbon fuel/energy production and distribution capacity (e.g. tonnes/year, MW, km of infrastructure). Increase in proportion of total operations powered by low-carbon or alternative fuels (%).

Eligible Social Asset Impact Metrics

Eligible Asset Category	Output/Impact Indicators
Access to Essential Services: Healthcare	<ul style="list-style-type: none"> Number of healthcare facilities (including hospitals, clinics and health centres) supported. Number of individuals benefiting from these healthcare facilities. Expanded commitment to diversity in clinical trials, especially for historically excluded populations.
Access to Essential Services: Education and Vocational Training	<ul style="list-style-type: none"> Number of public education schools (including kindergarten, primary and/or secondary schools and universities) supported. Number of individuals benefiting from these educational services.
Socioeconomic Advancement and Empowerment: Women Empowerment	<ul style="list-style-type: none"> Number of women entrepreneurs supported. Number of jobs created, saved or retained.
Affordable Housing	<ul style="list-style-type: none"> Number of housing units supported. Number of individuals benefiting from affordable housing
Employment Generation: Sole Traders, Partnerships and SMEs	<ul style="list-style-type: none"> Number of individuals employed in financed businesses. Number of jobs created or enabled by Local Administrative Unit (LAU)/region. Number of jobs created or enabled by activity sector.



External Review

8.1. Second Party Opinion

We have obtained an independent second party opinion from DNV Business Assurance Services UK on the alignment of the Framework with the ICMA Principles. The independent second party opinion is available on the NatWest Group website ¹.

8.2. Verification

We may request an independent third party to produce, on an annual basis, starting one year after the issuance and until maturity of the Sustainable and Transition Financing Instruments, a limited assurance report of the allocation of the proceeds.

(1) [NatWest Group – Green, Social and Sustainability Frameworks.](#)





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 fertilizer 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	

Category	Sector	SIC Code
Fossil Fuels	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
Tobacco	Manufacture of tobacco products	16.00/0/0
	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
Weapons	Other retail sale of food, beverages and tobacco in specialised stores	52.27/0/0
	Manufacture of explosives	24.61/0/0
	Manufacture of weapons and ammunition	29.60/0/0



Disclaimer

Important Information

This Sustainable and Transition Financing Framework (“the Framework”) has been prepared by NatWest Group plc (together with its subsidiaries, the “NatWest Group”) for information purposes only. It provides non-exhaustive, indicative and general information, does not claim to be comprehensive, and does not constitute legal, regulatory, tax, investment, accounting, financial or other advice.

The Framework and the information contained therein are not part of any offering documentation and are not contractually binding. The Framework is a non-legally binding statement of NatWest Group’s intentions and does not create any obligation regarding the use of proceeds of the Sustainable and Transition Financing Instruments. NatWest Group makes no representation, warranty or assurance, and accepts no responsibility or liability, that such proceeds will be used to finance or refinance Eligible Assets. Nothing in this Framework constitutes or forms the basis of any contract or commitment and it has not been approved by any regulatory authority.

Caution about lack of common standards for classification. There is currently no globally recognised or accepted, consistent and comparable standard or definition or standards (legal, regulatory or otherwise) of, nor widespread cross-market consensus as to what (i) constitutes, “green”, “social”, “sustainable” or “transition”, or similarly labelled activities, assets, products, finance or financing activities, or (ii) precise attributes are required for a particular activity, asset, product, finance or financing activity to be defined as “green”, “social”, “sustainable”, “transition”, or other similar labels. Interpretations vary across markets and institutions, and while several initiatives are working toward harmonisation, a consistent, comparable, and widely accepted framework has yet to emerge. This may lead to activities, assets, products, finance or financing activities currently classified as “green”, “social”, “sustainable”, or “transition” not meeting future legal requirements for classification. Furthermore, there may be differences in interpretation by governments, regulators, benchmark administrators, data providers, financial institutions and others. Such persons may apply different criteria, or use different methodologies, and arrive at different conclusions as to whether activity, asset, product, finance or financing activity is classified as “green”, “social”, “sustainable”, or “transition”. Categories of activities, assets, products, finance or financing activities that are eligible under the Framework may not be the same as those that are eligible under comparable or analogous criteria or framework of other financial institutions.

Investors, users of this Framework and other relevant persons (i) must not assume that NatWest Group’s description of activities, assets, products, finance or financing activities will meet their past, present or future expectations or requirements for describing or classifying activities, assets, products, finance or financing activities as “green”, “social”, “sustainable”, or “transition”, or for applying similar labels (unless a definition or standard is expressly specified in this Framework); (ii) should make their own assessment and seek independent investment, legal, tax and other professional advice as necessary to determine whether an activity, asset, product, finance or financing activity meets their needs.

Accordingly, no assurance or representation is given that the use of proceeds of any Sustainable and Transition Financing Instruments (as defined in the Framework) or any Eligible Assets (as defined in the Framework) under this Framework will align with any definition, standard or market consensus that may develop over time, or that any prevailing market consensus will not change materially following an investment decision in respect of such Sustainable and Transition Financing Instruments or Eligible Asset, or that such use of proceeds will meet investor expectations or requirements associated with “green”, “social”, “sustainable”, or “transition”, or similar labels (including, without limitation, the UK Sustainability Disclosure Requirements, the EU Taxonomy Regulation and any related implementing regulation or technical screening criteria, the EU Sustainable Finance Disclosures Regulation, the EU Green Bond Regulation, or any similar or related classification, reporting standard, guidance or regulation).

Caution about Eligible Asset Categories. This Framework provides information to customers, potential customers and third parties about NatWest Group’s current stance of what loans, investments, or other financial assets NatWest Group will consider as Eligible Asset under this Framework. This Framework does not provide any guarantee or assurance of eligibility and it may be subsequently amended, superseded or replaced at any time and without notice. Eligibility is subject to internal governance as well as legal and regulatory obligations. Accordingly, this Framework should not be relied upon in relation to any business, finance or sustainability decisions.

Caution about allocation and deployment of net proceeds. There can be no assurance or representation that the use of an amount equal to the net proceeds of any Sustainable and Transition Financing Instruments for the allocation to an Eligible Asset will be, or will be capable of being, implemented in accordance with a timely schedule and that, accordingly, any proceeds of such Sustainable and Transition Financing instruments will be totally or partially allocated for the financing and/or refinancing of an Eligible Asset within any specified period. There can also be no assurance or representation that the allocation of amounts to Eligible Assets will have the result or outcome (whether or not related to environmental, social or other objectives) as originally expected or anticipated. If the use of proceeds of a Sustainable and Transition Financing Instrument for Eligible Assets is a factor in a prospective investor’s decision to invest in the financing instrument, they should consult with their legal or other advisers before making an investment and must determine for themselves the relevance of such information for the purpose of any investment in such Sustainable and Transition Financing Instrument together with any other investigation such investor deems necessary.

Caution about sustainable and transition financing. Sustainable (including social, sustainability, sustainability-linked, green, climate) and transition financing and facilitation currently represents only a relatively small proportion of NatWest Group’s overall financing and facilitation activities. Accordingly, disclosures relating to sustainable and transition financing and facilitation should be read in the context of NatWest Group’s broader balance sheet, risk profile and financing and facilitation activities, and should not be interpreted as indicative of NatWest Group’s overall financing or facilitation strategy.



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No offer of securities or investment. The information, statements and opinions contained in this Framework do not constitute a public offer under any applicable legislation or in any jurisdiction, an offer to sell or solicitation of any offer to buy any securities or financial instruments, or any advice or recommendation with respect to such securities or other financial instruments

This Framework, the information, statements and disclosure included in this Framework are not formally part of any offering documents and are not contractually binding. This Framework is not intended: (i) to form part of any communication of any offering issued under this Framework to be an advertisement for the purposes of the UK Prospectus Regulation, and investors should not make any investment decisions based on the information included in this Framework; or (ii) to be a communication in relation to any particular product or service for the purposes of Section ESG 4.3.1 of the Financial Conduct Authority Environmental, Social and Governance sourcebook.

No duty to update. This Framework, together with any information contained or otherwise accessible through the websites referred to herein, is historical in nature and speaks only as of its respective date. NatWest Group has no obligation to update or revise these materials, except to the extent required by applicable law or regulation. Further to it, NatWest Group does not assume or undertake any obligation or responsibility to update any statement contained in this Framework as a result of new information, future events, or otherwise, except to the extent required by applicable law or regulation.

Forward-looking statements

Certain sections in this Framework may contain climate and sustainability-related and other forward-looking statements, such as aims, ambitions, plans and targets. Words or phrases such as “achieve”, “aim”, “ambition”, “continue”, “could”, “expect”, “expected”, “intend”, “intended”, “may”, “potential”, “should”, “target”, “will” or similar expressions that convey the prospective nature of events or outcomes generally indicate other 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 statements. Therefore, undue reliance should not be placed on the forward-looking statements included in this Framework. The forward-looking statements contained in this Framework only speak as of the date they were published and are subject to limitations and qualifications. Except to the extent required by applicable law or regulation, we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements in this Framework, 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.

NatWest Group’s ability to achieve its strategy, including its targets, ambitions and aims discussed in this Framework, is dependent on many factors and uncertainties beyond NatWest Group’s control. Therefore, no assurance can be given by or on behalf of NatWest Group as to the likelihood of the achievement or reasonableness of any climate or sustainability-related projections, estimates, forecasts, ambitions, targets, commitments or other forward-looking statement contained herein. Therefore, undue reliance should not be placed on these climate and sustainability-related forward-looking statements.

NatWest Group plc

**NatWest Group's approach to issuing green, social,
sustainability, transition and sustainability-linked
loan (SLL) bonds and other financing instruments**

May 2026



**NatWest
Group**