

Summary Report

# Building a more sustainable bank

# Introduction

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## From our Director of Sustainable Banking

We are building a more sustainable bank; a more responsible company, doing business in a more sustainable way. We consider the long-term impacts of our actions in our decision making, and we are proud that our enterprise and financial education programmes show the difference we're making for our customers and communities. Continuing to live by our values and providing, simple and fair banking will help us to build trust for the long term.

We are making steady progress towards embedding sustainability across our organisation. As technological, social and environmental changes shape the world, it's important to stay connected with our customers' needs and the wider expectations of our stakeholders. Our approach is squarely focused on identifying those issues that matter most to our stakeholders and have the potential to impact us commercially. A continual process of engaging with external stakeholders on shifting topics of interest helps us shape and adapt future strategy, plans and products and services development.

We seek to understand the long-term impacts of our decisions and actions. We are a Sustainable Energy leading lender, TCFD signatory, have launched a new climate policy and are deepening our commitment to supporting financial capability and enterprise in the UK and Ireland, through a range of activities. These include MoneySense our flagship financial education programme for 5–18 year-olds that has helped over 6 million young people learn about money over the last 24 years. It uses the key money moments in a young person's life to make learning about money feel real and relevant. Also our Entrepreneur Accelerator Hubs will

support 5,000 new businesses during 2018 through our UK network.

Sustainability is also helping us shape our culture. Our 'Yes Check' was introduced five years ago, and continues to be used to guide better decision making across the businesses. Our employee volunteering and fundraising partnerships continue to make a difference for the communities we serve, help to restore colleague pride in RBS, and build trust in the organisation.

This year, for the second time, we published a combined Strategic Report which aims to address some of the most important influences in our operating environment. These considerations, driven by a mixture of direct commercial impact and stakeholder interest have the potential to influence our ability to serve customers and create value for the long term.

The purpose of this document is to provide an overview of the progress we have made. In the future, we plan to go further by reporting more information that helps us and our stakeholders understand our performance. We know there is plenty more to do, and throughout

2018 we will continue to listen and change for the better. We've learnt some important lessons in the past decade and this continues to motivate us to run the bank as a sustainable and responsible business, serving today's customers in a way that also helps future generations.



**Kirsty Britz,**  
Director of Sustainable Banking.

# Overview

## A sample of our highlights

### Customer focused

#### Financial Education

MoneySense, our **24-year** flagship financial education programme, has helped over **6 million** young people learn about money.

#### Safe & Secure

We protected customers from **485,000** fraud attempts in the UK, which stopped **£244 million** being stolen.



#### Friends Against Scams

**20,000** colleagues have trained as “Friends Against Scams” to help keep our customers safe and secure.

#### Financial Health Checks

We've helped **over 1 million** customers with a Free Financial Health Check.

#### Closed Loop Feedback

A new process provides real-time feedback from our customers which we are listening to, learning from and acting on every day.

#### TechXperts

We now have a trained TechXpert in every branch to help our customers get the most from our digital services.



#### Leading the way on digital

Approximately **5.5 million** customers now use our mobile app – voted Best Banking App in the UK at the British Bank Awards in 2017 and 2018.

### Responsible Business

#### Integration

This is the second year of our journey towards integrated reporting. We have chosen to integrate our financial and non-financial performance to show how we are building a more sustainable bank.

#### Sustainable Energy

We announced commitment to provide **£10bn** of funding towards the transition to a greener economy by 2020.

#### Climate-Related Financial Disclosures

Pledged support to the Task Force on Climate-related Financial Disclosures and announced a new lending policy.



#### Outperforming our targets

We outperformed our 2020 environmental targets and set a new carbon reduction target using a ‘science-based’ method, aligning our ambition with climate science and the Paris Agreement.

#### UK Modern Slavery Act

We published our second MSA annual statement in 2018 on our corporate website. This built upon our first statement which was published in 2017.

#### Awarded for achievements

Recorded highest level of external recognition winning multiple awards for our sustainability achievements.



### Working at RBS

#### Female leaders

On track to achieve our target of having at least **30%** senior women in our top three leadership layers across each business by 2020.

#### Top 50

Times **Top 50** Employer for Women.

#### CPR Training

**Over 40,000** colleagues completed CPR training. 3 colleagues have since had to apply their training, which **helped save 3 lives**.



#### Top 100

**Top 100** Stonewall Employer.

#### Platinum Award

Awarded Payroll Giving Platinum Award 2017.



#### Launched WISE 100

Recognised the **Top 100** women in social enterprise in the UK.

#### Service Excellence

**Over 16,000** colleagues completed level one training, as part of our customer service programme.

Note: Information contained within the Summary Report represents a selection of 2017/18 headlines and is subject to review and further updates.

# 1 Enterprise

## What is the issue?

A healthy economy needs a pipeline of new and growing businesses to spur innovation and growth. Entrepreneurs, start-ups and small businesses require particular support in terms of financing and building market share. As the biggest bank for business in the UK, we can and should support a healthy pipeline.

## What is RBS doing about this issue?

Helping people build and grow businesses – we’re going beyond being a provider of financial services.

While transforming the bank, we have continued to support inspiring people to start in business – and providing the support and resources they need to help them succeed.

We believe everyone deserves this opportunity, whatever their background. By encouraging and supporting start-ups and helping businesses to grow, we’re also boosting the UK economy.

## NatWest Entrepreneur Accelerator

We set out how we plan to support 5,000 new businesses during 2018 through our UK network.

Our support helps ambitious entrepreneurs grow their business. We offer free workspaces, mentoring, funding clinics, bespoke workshops and access to a world class entrepreneurial community.

The programme continued to grow in 2017 and has supported over 3,800 new businesses since 2012. 87% of companies that have used our programme are still trading one year on.

- Our accelerators throughout the UK have supported 3,868 companies with an aggregate turnover of over £651 million.
- We’ve helped secure over £255 million worth of investment for entrepreneurs in the programme, who in turn have created 8,096 jobs.

## Highlights

- Provided **£28.8 billion** in lending to small and medium sized enterprises across England, Scotland and Wales to help businesses meet their goals.
- Supported **over 3,830** people through our enterprise programmes: Entrepreneurial Spark, Prince’s Trust and Skills & Opportunities Fund.
- **Rolled out ESME**, a digital platform which offers SMEs the ability to digitally obtain loans quickly.
- Our Skills & Opportunities Fund distributed **£2.5 million** to **110** organisations that support people from disadvantaged communities to access skills.
- We have **over 400** independently accredited Women in Business Specialists, giving mentoring and financial guidance & support to female entrepreneurs.
- Our partnership with the Prince’s Trust helped **921** young disadvantaged and/or unemployed people start their entrepreneurial journey.
- Set up a team of **73** Business Growth Enablers, who use their network of experts across different industries and regions to provide training, mentoring and support to small businesses.



## 2018 NatWest Enterprise Award winner

Kyle Chivers had a difficult start to life before starting his animation, video and virtual reality production company – Firethought – with support from The Prince’s Trust.

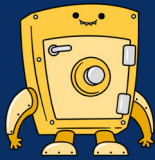
Kyle said “I’d tried various avenues before The Prince’s Trust Enterprise programme, and although it was 60 miles away from home, it was very much worth my while going. I live in a rural isolated area and wanted to create Firethought, an accessible animation, video and virtual reality production company that would fill the gap between established regional companies and city-based young visionaries”.

Using a Prince’s Trust Will it Work grant – he bought 3D photogrammetry software to help diversify his offering and subsequently secured a contract providing accident scene reconstruction services for a law firm.

“Despite living in a seasonal, tourism centric locality; I have diversified the company into Manufacturing and Security contracts. I am working with a multinational security firm on promotional and product documentation for a revolutionary biometric body worn video system.”

# MoneySense

## Making sense of money



Helping young people towards a better financial future



MoneySense is our flagship financial education programme for 5-18 year olds that has helped over 6 million young people learn about money over the last 24 years. It uses the key money moments in a young person's life to make learning about money feel real and relevant.

Easy to use, interactive and fun, the MoneySense programme provides everything you need to teach young people about managing money in a way that is relevant to their lives. Resources include quizzes, videos and worksheets and are free to use for teachers and families.

MoneySense content looks at a wide range of financial dilemmas including budgeting for a party, choosing a mobile phone contract and understanding the difference between needs and wants.



The programme is supported by a network of enthusiastic bank employee volunteers, who help to deliver workshops in classrooms, supporting teaching staff to bring the outside world into schools.

MoneySense has now reached more than six million young people and over 6,500 colleagues from across the bank have signed up as MoneySense volunteers to help deliver workshops in schools.



MoneySense resources are used in over 80% secondary schools across the UK and Ireland.

To find out more go to [mymoneysense.com](http://mymoneysense.com)

## 2 Financial Capability

### What is the issue?

The ability to manage money well is one of the leading causes of stress and anxiety among adults in the UK. Around four in ten can't manage their money and 16 million people have less than £300 in savings. The issues are complex and impact individual wellbeing and the UK economy.

### What is RBS doing about this issue?

We know it is important for our customers to be financially confident and we want to see an improvement in the ability of our customers and future customers to manage their money well.

By continuing to invest in MoneySense, the biggest schools programme in the UK, we are helping equip the next generation with the skills and confidence to make good financial decisions throughout their lives. We are proud partners of the Friends Against Scams campaign, giving practical and impartial advice on how to stay safe. Our free Financial Health Check is designed to make money work smarter and help customers realise their goals and dreams.



### Highlights

- Our employees supported an average of twelve classroom workshops every teaching day via MoneySense; our flagship financial education programme for young people.
- MoneySense has helped more than **six million** young people learn about money over the last **24** years.
- We helped over **one million** customers with a free Financial Health Check to help them organise their finances.
- We helped over **680,000** customers in financial hardship find a solution to their debt problem.
- We provided over **27,500** customers with 'breathing space' and extra time for them to find support and to develop a repayment schedule.
- We helped more than **900** vulnerable customers through our Innovative Citizens Advice partnership.
- We have developed addictions training with the Money Advice Trust and were first in the creditor sector to complete it.
- We were the first bank to support Friends Against Scams and we have trained more than **20,000** staff during 2017.
- We launched the first fully-accessible Mobile App (RNIB Approved) and NatWest Accessible Credit Card.
- We have created a task-force of **TechXperts** who are dedicated to supporting customers with training and support with digital skills.
- We have introduced **Community Bankers** to provide personal, face-to-face banking services in communities.

# 3 Climate and Environment

## What is the issue?

The Paris Agreement provides a global framework by which the world will seek to prevent dangerous climate change but further challenges remain.

Climate change presents both physical and transition risks. The transition to a low carbon economy presents new business opportunities. There are also increasing regulatory, investor and stakeholder expectations on banks to address climate change.

## What is RBS doing about this issue?

We recognise climate change is a significant global issue and a growing concern for our customers and we are determined to do what we can to support the transition.

In 2017, RBS publicly committed to support the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) – a voluntary set of guidelines encouraging consistent climate-related disclosures in annual reporting.

In 2018, RBS introduced new energy financing policies to support low carbon transition, building on the launch of our commitment to provide **£10bn** of funding towards the transition to a greener economy by 2020.

Introduced new policy changes covering the mining, power and oil and gas sectors, which outline areas we will no longer finance. Also, we have further tightened our restrictions on general lending to companies involved with coal.

Relative to our size, our operational footprint from serving our customers is quite small, but still significant. Our primary emissions impact comes from the energy used to heat, cool and power our buildings and data centres. We have set targets using a science-based method in order to align our efforts to reduce emissions with the climate science that sits behind the Paris

## Highlights

- Recognised by InfraDeals as the leading lender to the UK renewable sector by number of transactions over the past six years (2012–2017).
- We did not directly finance any new coal mining or coal power projects in 2017.
- **3,200** colleagues logged **over 24,000** activities to reduce our environmental impact via our green reward app.
- **97%** of our UK waste is diverted from landfill. Our target is to achieve zero waste to landfill by 2020.
- We have reduced global business travel carbon emissions by 52% since 2011, hitting our target of 50%.
- We hit our 2020 target to reduce water use by 5% early, so we have now set a target to double that reduction to **10%**.

Climate Agreement. We have also signed up to the RE100 initiative, committing to use 100% renewable electricity by 2025.

Our goal is to engage every employee on sustainability and the environment. We use various means to reach colleagues and inform them of the work we are doing to minimize our operational impact.



## Responsible Business

We've reviewed our current lending restrictions to customers operating in the Mining & Metals, Oil & Gas, Forestry, Fisheries & Agribusiness and Power Generation industries. We have taken the decision to no longer provide any finance to:

- Power companies that generate more than 40% of their power from unabated coal
- Mining companies who derive more than 40% of their revenues from mining of thermal coal
- New coal projects: either thermal coal mines or coal power stations
- The most high-impact forms of oil extraction, including oil sand projects and arctic oil projects
- Projects involving unsustainable vegetation clearance or peatland clearance/extraction

## NatWest Markets energises the SSE Green bond deal

NatWest Markets continues to build its presence in the sustainable finance market with an active role on the issuance of a landmark Green bond by SSE.

SSE, one of the UK's leading energy suppliers, issued its first Green bond raising EUR600 million, the largest ever Green bond by a UK company. It will use the proceeds to re-finance existing environmentally-friendly projects, in particular onshore wind-farms. SSE has invested around GBP 3.2 billion in renewable energy since 2010 and has the largest renewable energy capacity in the UK and Ireland.





## Putting your safety and security first

To help our customers protect themselves against fraud and scams we have been working with various partners across the industry.

NatWest sponsored the production of a Code of Practice on protecting customers from financial harm. The specification, launched in November 2017, included input from Financial Fraud Action UK, the National Trading Standards Scams Team, the Office of the Public Guardian, the Metropolitan Police, and two other major UK banks.

NatWest continue to support 'Friends Against Scams' run by National Trading Standards and in 2017 trained over 20,000 colleagues. In 2018 we will be the official bank partner of the One Million Friends Against Scams initiative.

For more information please visit the Friends Against Scams [website](#).

# 4 Safe and Secure

## What is the issue?

Our customers and the bank faced an increased threat from fraud, scams and cyber attacks in 2017.

Across our industry, thieves have managed to exploit compromised card data, get customers' security information and bypass security checks. In response, we're collaborating with others in the industry to continually improve our security using innovative solutions.

As we rebuild our customers' trust, it's vital we protect their money, their personal information and the services they rely on.

## What is RBS doing about this issue?

Our CEO, Ross McEwan, announced that the bank will provide Friends Against Scams training to one million people across the UK by 2020 in another step to keep customers' money safe and stop scammers in their tracks.

We are working harder than ever to keep our customers safe and secure. Our Secure Banking Promise is our commitment to our customers – we'll refund any money taken out of a customer's account by a fraudster, as long as they've kept their security information secret.

To help our customers protect themselves against fraud and scams we have been working with various partners across the industry.

## Highlights

- We protected customers from **485,000** fraud attempts in the UK, which stopped **£244 million** being stolen.
- **20,000** colleagues have trained as 'Friends Against Scams' to help keep our customers safe and secure.
- As a result of new controls deployed by the bank, **98%** of the **9.86 million** phishing emails criminals attempted to send were blocked from delivery.
- We delivered **112** security awareness seminars and events for around **8,373** customers, staff and industry partners.
- Sustained improvement in the number of customers impacted by fraud in 2017 with a **26% reduction** from 2016.

It might be a big job, especially with criminals seeking new ways to exploit us, our customers and the bank but we're making good progress.

# 5 Ways to Bank

## What is the issue?

The way people bank has changed significantly over the last decade; driven by technological developments which have resulted in easier and more convenient ways to bank.

Customers are choosing to do their banking in ways that suit them and reflect what they do in everyday life.

Since 2014, the number of customers using our branches across the UK has fallen by 40% and during the same period mobile banking transactions increased by 73%; in the first half of 2017, there were 1.1 billion mobile and online transactions carried out by our customers.

## What is RBS doing about this issue?

The challenge for us is to manage this transition to digital while maintaining face to face services for those who still require it. We are committed to ensuring that our customers have a wide range of ways in which they can bank with us. Every customer is individual and that is why customers can choose from a combination of digital, telephone and face-to-face banking options, each designed to suit their preferences and needs.



## Highlights

- We have created a task-force of **TechXperts** who are dedicated to supporting customers with training and support with digital skills.
- We have introduced **Community Bankers** to provide personal, face-to-face banking services in communities.
- Customers can undertake everyday banking in over **11,500** Post Offices throughout the UK.
- We launched the **first fully-accessible** Mobile App (RNIB Approved) and NatWest Accessible Credit Card.

Customers might carry out simple everyday transactions using our mobile app, but still preferring to speak to someone over the phone or via web chat for other banking queries. For more complex needs, such as a Financial Health Check or mortgage advice, customers value having the option to discuss the matter face-to-face or by video.



## Community Bankers

Taking the branch to our customers

As more and more customers chose to use mobile banking instead of traditional branch counters, our branch network needs to change. Our Community Bankers are ensuring that we can still play an active role in communities, even when we no longer have a dedicated building.

Our team of Community Bankers take the branch to the places where it is convenient for our customers, including libraries, rugby clubs and church halls. They also deliver community events on fraud, scams and online security, to help people keep their money safe.

Aby Evans is a Community Banker on the Kent coast. "I run regular drop in clinics in the local libraries," she explains. "Although I'm not in a bank building, customers know where and when they can find me each week.

"I wear a purple branded fleece and I get stopped in the street because people spot me and want to ask a quick question. It's really nice to feel part of the community."







## Awards and Recognition

Our work to create an inclusive bank has been recognised externally within the six key benchmarks we participate in:



Awarded Diverse Company of the Year at the National Diversity Awards



Top 100 Stonewall Employer



Platinum ranking from Opportunity Now



Times Top 50 Employers For Women to work index



Platinum ranked for Business in the Community Race Equality Campaign



Top Ten Employer by Working Families.

# 6 Diversity and Inclusion

## What is the issue?

A great place to work means building a healthy and inclusive culture. Colleagues should be themselves at work and they will be supported to realise their full potential.

Diversity in the workplace is important for employees because it manifests itself in building a great reputation for the company, leading to increased profitability, and healthy diversity of opinion that reflects our customer base.

Strong diversity principles can also make a tangible bottom-line impact by helping banks win the war for talent, boost innovation and gain access to lucrative new markets.

## What is RBS doing about this issue?

We are building an inclusive bank which is a great place for all colleagues to work.

The bank's inclusion principles applies to all our colleagues internationally – ensuring that everyone feels included and valued, regardless of their background.

We are aiming to become a 'disability smart' organisation by 2018. To do this, we have a disability plan across the bank. The plan highlights areas for improvement including branch access, accessible services, improving colleague adjustment processes and inserting disability checkpoints into our key processes and practices.

Across the bank, we encourage ethnic diversity through reciprocal mentoring, external mentoring circles (with other organisations looking to improve their ethnic diversity) and targeted development workshops.

Our LGBT agenda continues to deliver a better experience for our LGBT colleagues and customers.

## Highlights

- Our employee opinion survey showed we are becoming more inclusive – with colleagues scoring the bank **87** points in the inclusion category. This is four points higher than last year, **16** points above the global financial services norm and **11** points above the UK financial services norm
- Reached the milestone of training **70%** of our workforce to manage their unconscious bias
- Awarded Diverse Company of the Year at the National Diversity Awards
- **Gold Standard** in the Business Disability Forum Standard.
- Winner of Workplace Adjustments Innovation of the Year at Disability Smart Awards **2017**
- **Top 100** Stonewall Employer
- Retained Platinum for our work on Gender in Business in the Community's Opportunity Now benchmark and our place in the Times **Top 50** Employers For Women to work index
- **Platinum** ranked for Business in the Community Race Equality Campaign
- Achieved Top Ten Employer status in the Working Families benchmark
- Our employee led networks have grown to over **c.20,000** members globally

## For further information about how we are building a more sustainable bank visit:

- [Sustainable Banking](#)
- [Bite-size Fact Book](#)
- [GRI 2017](#)
- [Case studies](#)
- [Annual Report](#)
- [Strategic Report](#)
- [Assurance web-pages](#)