

B CORP IMPACT REPORT

JULY 2021 TO JULY 2022



DOING WELL
BY DOING GOOD
PROUD TO BE A CERTIFIED B CORP



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DOING GOOD



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CEO LETTER

PETER FLAVEL, CHIEF EXECUTIVE

Thomas Coutts, who founded our bank, had a motto:

“To be, rather than to seem”.

Some 330 years on, we still strive to be. To be a great bank. To be more than a bank.
To be a good employer. To be a positive force for our economy, people and planet.

Our core purpose as a business is to champion potential. Being the first UK-headquartered private bank to become B Corp-certified has been one of our proudest moments – in a real sense, evidencing our purpose in action. This annual B Corp Impact Report aims to bring to life the work we’ve done since certifying in July 2021, detailing how we’re using the accreditation to have a positive impact on society and the environment. The journey remains a long one and we’ll continue to be transparent as we strive to improve.

Over the past year as a B Corp, we’ve had a number of successes, which I would like to highlight.



Receiving external recognition for our sustainable banking practices (including winning the 2022 PAM Positive Impact Award and 2022 WealthBriefing ESG Award).



In December 2021, putting our climate commitments into action by moving £6 billion of AUM (assets under management) to be on a net-zero trajectory*. From 1 February 2022, the Personal Portfolio Funds available through Coutts Invest, NatWest Invest and Royal Bank Invest include a commitment that a minimum of 50% of assets by value in each fund will be on a net-zero trajectory. From 18 July 2022, the Coutts Multi Asset Funds and discretionary portfolios include a commitment that a minimum of 20% of assets by value in each fund or portfolio will be on a net-zero trajectory.



Evolving engagement with other B Corps such as Alaya by Benevity, Anthesis Group, Giki Zero and Gong Communications to promote environmental, social and governance (ESG) practices.



Our colleagues spending more than 452 workdays volunteering, raising more than £192,000 for charity.



Enshrining social mobility in our support for the [10,000 Black Interns](#), [Leadership Through Sport and Business](#) and [UpReach](#) initiatives.



Our clients also being outstanding. Since 2019, THANK YOU FROM COUTTS members have generously donated in excess of £950,000 to charity in support of the DEC Ukraine Humanitarian Appeal, The Connection, National Emergencies Trust, The Prince’s Trust, St Saviours & St Olaves and The Felix Project.

Finally, I’ve been delighted with all the conversations we’ve been having with our clients, prospects and suppliers about their own B Corp certification journeys. In particular, how they can use the B Corp Impact Assessment as a strategic tool to track their progress regarding sustainability. It’s important to us that we can be of help to others who are interested in embarking on this journey, so please contact our Sustainability Manager, Celeste Leverton (celeste.leverton@coutts.com), if you’d like to hear more about the certification process.

Peter

Chief Executive

*Net-zero trajectory is a commitment, credible plan or action taken to achieve net-zero greenhouse gas emissions by 2050.

In March, Peter Flavel planted a commemoration tree in Embankment Gardens, in collaboration with the NorthBank and The Queen’s Green Canopy, to mark the jubilee.



JOURNEY TO CERTIFICATION

INTRODUCTION TO B CORP

In July 2021, Coutts officially became a B Corporation. It was a key step in our journey to meet the highest standards of social and environmental performance across our business. As a certified [B Corp](#), we must consider the impact of our decisions on a wide range of stakeholders: not just shareholders, but also our clients, our employees, the wider community and the environment.

To that end, we amended our articles of association to require our board of directors to make sure we always balance profit and purpose.

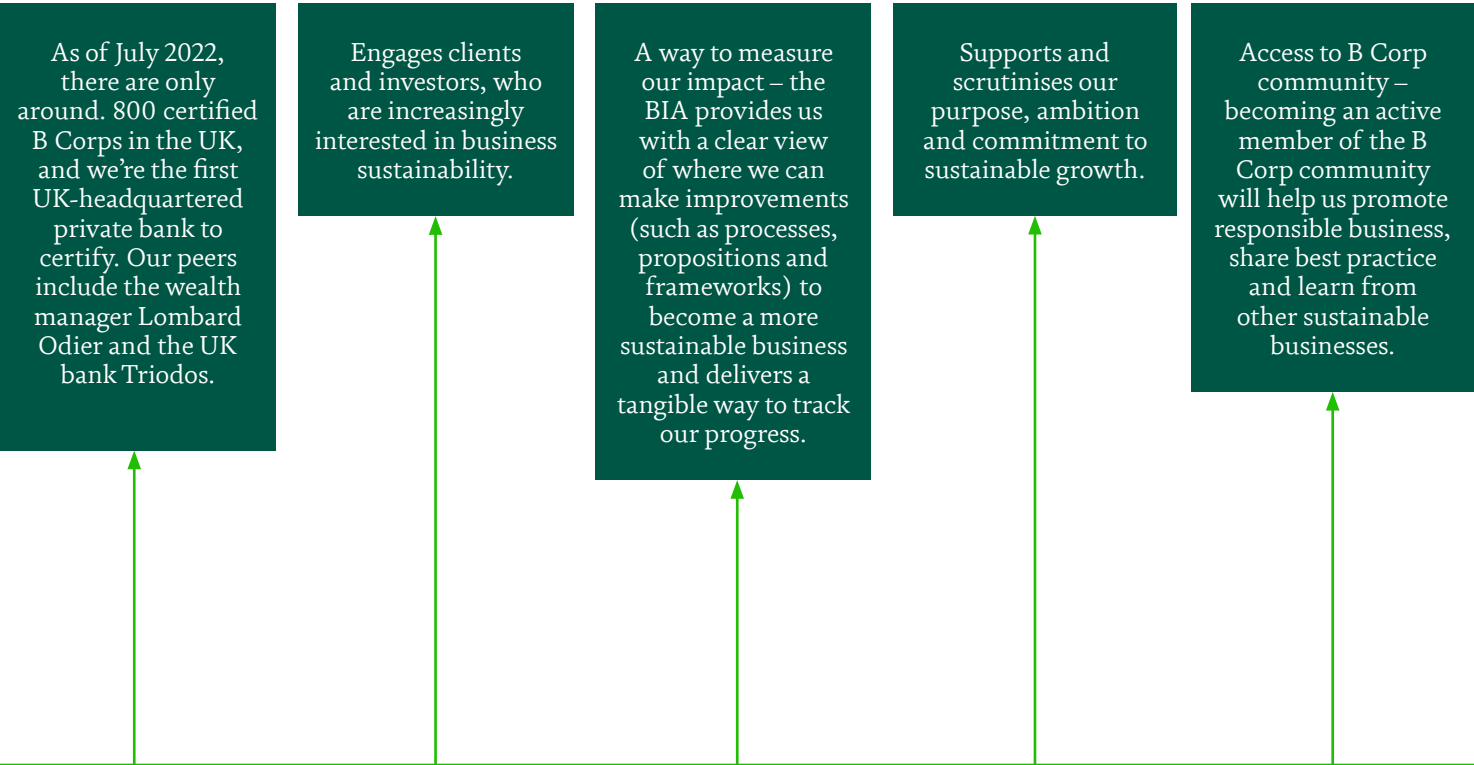
“The Coutts Board has unanimously and enthusiastically committed Coutts to B Corp membership. We as a Board, understand that this is a serious commitment which will entail continuing change and development of how we do things at Coutts: B Corp status is no box-ticking exercise but a continuous process of independent scrutiny of our business culture. The process is one the Board wholeheartedly welcomes and endorses.”

The Rt Hon Lord Waldegrave of North Hill, Chair

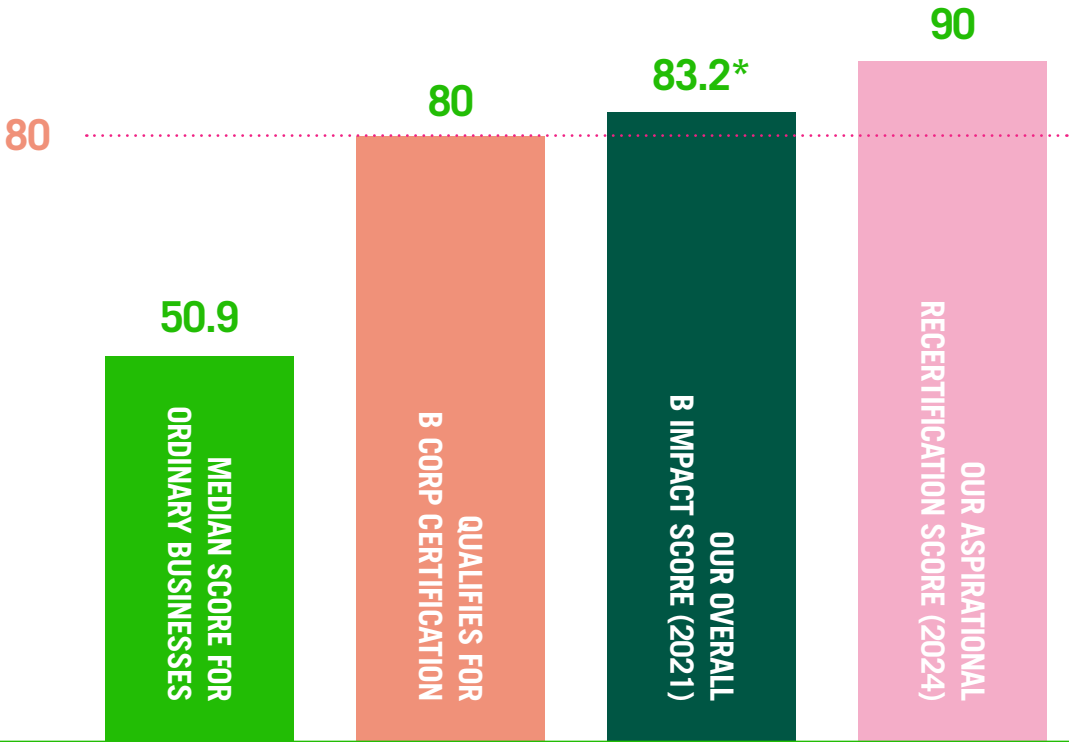
“When we saw that one of the ambitions of the B Corp community is to accelerate a global culture shift to redefine success in business and build a more inclusive and sustainable economy, we knew we had to be a part of it.”

Peter Flavel, Chief Executive

HOW DOES THIS BENEFIT COUTTS?



THE B CORP ASSESSMENT



*This total includes supplementary B Corp points awarded for questions we were unable to answer due to being a UK-based (and not global) business.

SCORE BREAKDOWN

To become a B Corp, a business has to achieve a minimum verified score of 80 on the [B Impact Assessment \(BIA\)](#).



ENVIRONMENT

7.7



COMMUNITY

9.9



GOVERNANCE

15.6



TOTAL 83.2*



CLIENTS

13.3



COLLEAGUES

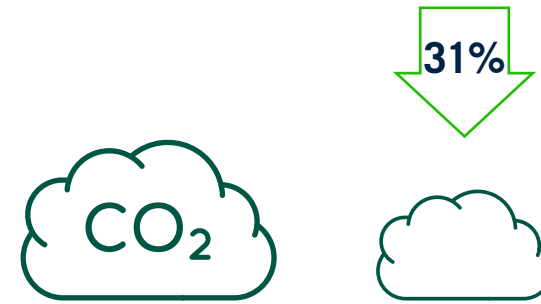
35.2

*This total includes supplementary B Corp points awarded for questions we were unable to answer due to being a UK-based (and not global) business.



ENVIRONMENT

7.7

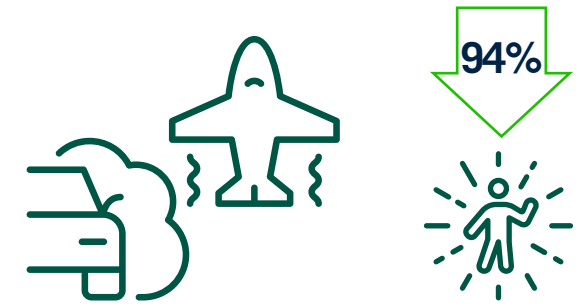


31% REDUCTION IN OUR OWN DIRECT CARBON EMISSIONS (2021 v 2019)*

In line with our parent company NatWest Group, we measure our direct carbon emissions by reference to our Scope 1, Scope 2 and certain Scope 3** (paper, water, waste, business travel, commuting and work from home) emissions. The methodology therefore excludes upstream and downstream emissions from our value chain.

We exceeded our target of reducing our own direct carbon emissions by **25%** before the end of the reporting year (September 2021). We managed to reduce emissions by **31%**, advancing our progress towards being net zero in 2050 in line with the [Science Based Targets initiative \(SBTi\)](#). As part of NatWest Group, we're now working to reduce our own direct carbon emissions to **50%** of 2019 levels by 2025 in line with the Group policy under SBTi. Our reported data is in respect of all entities and facilities either owned or under our operational control. Emissions have been calculated using the Greenhouse Gas Protocol Corporate Standard and associated guidance, and include all greenhouse gases, reported in tonnes of carbon dioxide equivalent (CO₂e) and global warming potential values.

Furthermore, NatWest Group purchased 120,000 carbon credits over the last reporting year. Our activity is encompassed within this.



94% REDUCTION IN BUSINESS TRAVEL (2021 v 2019)*

This surpasses the NatWest Group 2021 ambition to limit business travel by **85%** compared with the 2019 baseline. This is in part due to the influence of Covid-19.

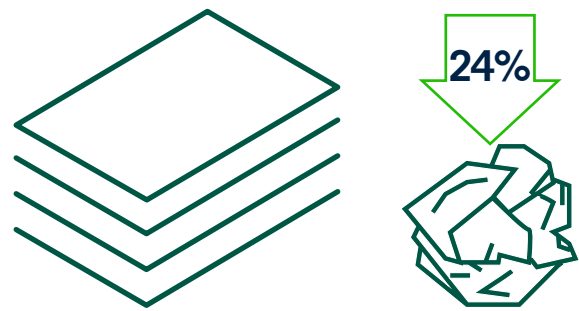


7% REDUCTION IN ENERGY USE (2021 v 2020)

This is in line with the NatWest Group 2025 [target, as stated by Climate Group's Initiative EP100](#), to improve energy productivity by 40% by 2025 against a 2015 baseline (global). NatWest Group procures our energy and, in so doing, purchases **100%** of our UK and Republic of Ireland electricity from renewable sources using green tariffs, and buys Renewable Energy Certificates (RECs) for our landlord-supplied properties in India, Europe and the UK, where we're currently unable to specify a requirement for renewable electricity.

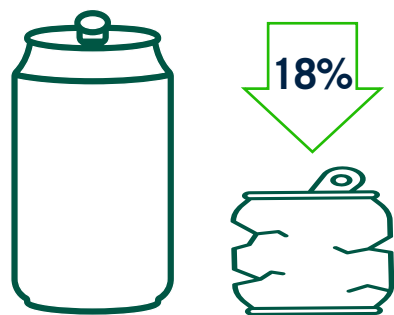
*2021 v 2019: Reporting year is October to September.

**Find out more information about [Scope 1](#), [Scope 2](#) and [Scope 3](#).



24% REDUCTION IN PAPER USAGE
(2021 v 2019)*

This was in part achieved by our efforts to move client reporting paperless. At NatWest Group, the ambition is for a **70%** reduction in paper usage by 2025, using 2015 as a baseline. For Coutts, as we only have 2019 baseline data, this has been translated to a **48%** reduction by 2025 using 2019 baseline data.



18% REDUCTION IN WASTE
(2021 v 2019)*

This surpasses our ambition to reduce waste by **15%** against the 2019 baseline. We look to improve on this by increasing resource efficiency thus supporting the circular economy.

At NatWest Group level, in the UK and Ireland, we currently have a **71%** recycling rate.

In addition to this, none of our waste goes to landfill and anything that can't be recycled is used as waste for energy to produce electricity for homes.

HELPING STAFF REDUCE THEIR OWN FOOTPRINTS

Across the group, staff have access to a sustainability engagement programme offered via [Giki Zero](#), which enables colleagues to calculate their individual environmental footprints and learn about more than 150 personal actions they can take to reduce this figure.

We've reduced travel to business-critical reasons only and adopted a train-first approach within the UK, saving 143kg of carbon per passenger compared with plane travel based on a journey from Edinburgh to London.

*2021 v 2019: Reporting year is October – September.
**Find out more information about [Scope 1](#), [Scope 2](#) and [Scope 3](#).



Our Skyline rooftop garden, on top of our HQ at 440 Strand in central London, is home to around 80,000 bees-in-residence, who help pollinate the plants and provide us with honey. We use the produce from the garden in our catering in 440 and, during the pandemic, donated the produce to The Felix Project charity to redistribute to those most in need.

WE INVEST RESPONSIBLY,
WITH INTEGRITY AND PURPOSE

For our [investments](#), we’re aiming to reach net-zero emissions across our managed investments by 2050. In April 2021, we joined the Net Zero Asset Managers initiative. We also set three ambitious short-term targets on our journey to net zero*.

- 1. A **25%** reduction of carbon intensity (Scope 1 and Scope 2) within all equity holdings by the end of 2021 compared to 31 December 2019. By year-end 2021, we reduced the carbon intensity across the equity parts of our funds and discretionary portfolios** by an average of 38%*** compared with 31 December 2019
- 2. A **50%** carbon reduction on all holdings by the end of 2030 compared to 31 December 2019
- 3. **50%** of discretionary AUM aligned to a net-zero trajectory by 2025, increasing to **70%** by 2030

In 2021, in partnership with EOS at Federated Hermes, we voted on 15,000-plus resolutions and engaged with 500-plus companies on ESG. We also supported **94%** shareholder resolutions on climate change last year.

In 2021, we were one of the first investment houses to buy into the UK Government's green gilts issuance and have invested **£450 million** on behalf of our clients.

In December 2021, we put our climate commitments into action by moving **£6 billion** of AUM to be on a net-zero trajectory****. From 1st February 2022, the Personal Portfolio Funds available through Coutts Invest, NatWest Invest and Royal Bank Invest include a commitment that a minimum of **50%** of assets by value in each fund will be on a net-zero trajectory. From 18 July 2022, the Coutts Multi Asset Funds and discretionary portfolios include a commitment that a minimum of 20% of assets by value in each fund or portfolio will be on a net-zero trajectory.

To increase transparency and understanding, we created a client-friendly report on the changes made to the Coutts ESG Insight funds that support a number of our offerings, highlighting the methodology changes that took place and the enhanced investment exclusions.

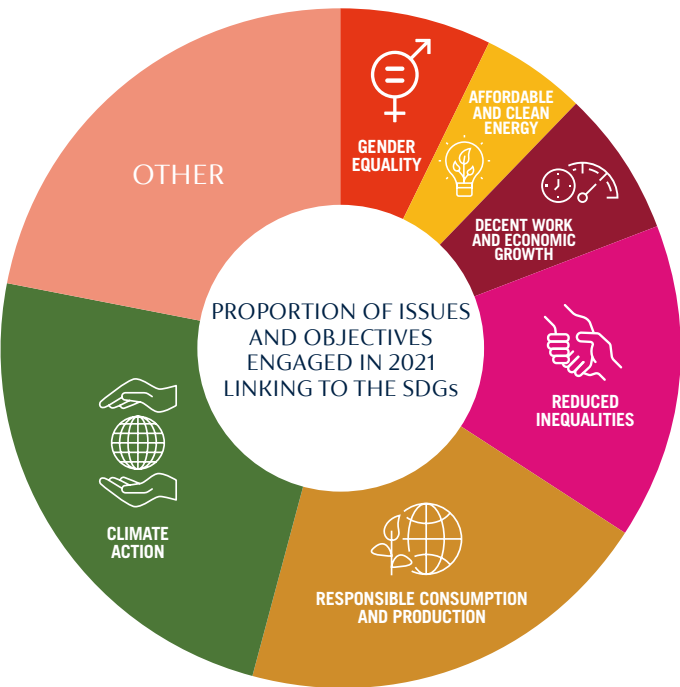
We’re also one of the signatories to the [Financial Reporting Council](#) (FRC) UK Stewardship Code 2021. The code is a set

of strict stewardship standards for those investing money on behalf of UK savers and pensioners. Successful applicants must demonstrate their commitment to the responsible allocation, management and oversight of capital, with the goal of creating sustainable benefits for the economy, environment, and society. In our latest update, we redesigned it to make it more reader-friendly by including a clear layout and engaging content, making it easier for clients to navigate.

A+ A+ award for our Strategy and Governance (2020) from the United Nations Principles for Responsible Investment

918/1,714

OF THE ISSUES AND OBJECTIVES ENGAGED IN 2021
WERE LINKED TO ONE OR MORE OF THE SDGs

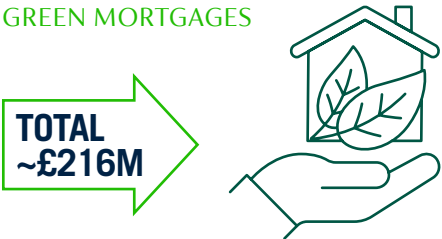


The UN Sustainable Development Goals (SDGs) provide a common, timed framework and language for investors and companies to work towards the achievement of the shared goals. Mapping our engagements to the SDGs allows us to identify key focus areas and measure progress.

We recognise the power we have as investors, in shaping both positive and negative outcomes in line with the SDGs. This is why, with the help of our engagement partner EOS at Federated Hermes, we focus on dialogue with the issuers within our investable universe that are looking to make a positive contribution to the SDGs.

END OF JUNE 2022

TOTAL DRAWN
GREEN MORTGAGES



SUSTAINABLE LENDING

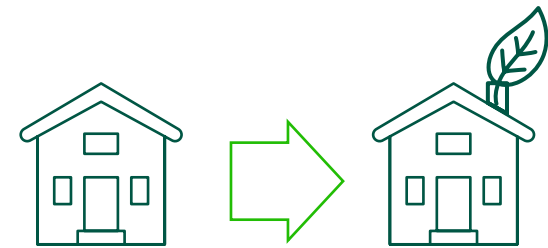
According to the Office for National Statistics, 16% of the greenhouse gases emitted in the UK came from residential properties in 2020****. We're helping clients improve the energy efficiency of their properties, aiming to have at least **50%** of our mortgage book at Energy Performance Certificate (EPC) rating C or above by 2030. We launched a green mortgage offering to reward clients for enhancing the energy efficiency of their properties or purchasing properties with a high energy efficiency: clients get a product fee refund of up to **£2,000** if they buy an energy efficient property (EPC A or B rated) or upgrade the efficiency of their current home to minimum EPC C or above within one year of obtaining the mortgage.

We also support the Green Home Retrofit Finance Principles, which ensure relevant loans are given only to energy efficiency work that meets industry-accepted standards in UK homes. We continue to explore various ways to engage with our clients on how they can improve the energy efficiency of their homes, including how Coutts can help them to overcome both financial and non-financial barriers.

We’re actively working with our Commercial clients to discuss climate risks and the potential financial implications and opportunities these present, as well as how they align to our purpose and regulatory requirements.

We’ve incorporated climate factors into client contact points for all those with material lending exposure, and provided sector-focused strategy and education to our relationship managers to help support these conversations.

In addition, NatWest Group has an ambition to provide **£100 billion** Climate and Sustainable Funding and Financing between 1 July 2021 and the end of 2025, and we work to support this commitment.



GREENER HOMES SERVICE
PILOT WITH ANTHESIS GROUP

Retrofitting a home can be a complex and expensive process. Talking to our clients, we recognise there’s a clear desire for independent, expert support to help them on this journey. We have engaged with Anthesis Group to run a pilot service that will support 30 clients through an end-to-end house retrofitting journey, complemented by consultations with specialist partners. We want to address the difficulty clients had encountered when wanting to improve the EPC of their property, such as knowing the right measures to take, costs, getting the right permissions and finding the right suppliers.

The pilot includes an online house energy efficiency assessment that provides possible solutions bespoke to the client’s property. This is followed by the option of a fully subsidised in-person survey, where a qualified engineer will visit the property to produce a more in-depth and bespoke report for the client. This details current performance, retrofit options, likely energy savings and carbon reductions, as well as providing an initial view on feasibility. Clients will then have access to pre-vetted suppliers and installers to carry out selected retrofit measures if they choose to proceed. Clients will also have access to specialist support from Anthesis Group throughout.

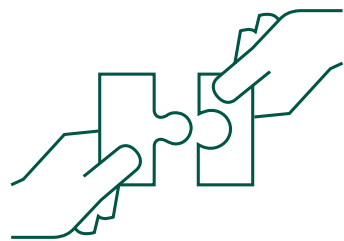
* Our targets apply to all discretionarily managed assets under management that are considered in-scope for net zero, which currently covers 89% of our total AUM. For more information about our interim targets, please see pages 38 to 39 of the [Net Zero Asset Managers Initiative’s Initial Target Disclosure Report \(May 2022\)](#). Please also refer to our [Cautionary Note on Climate Data](#).

** In 2021, funds and discretionary portfolios represented £27 billion or 91% of our AUM. On average, as of 31 December 2021, equity holdings made up 60% of the total assets in all funds and discretionary portfolios. Carbon intensity data is sourced from third party sources, at fund and underlying company level, and is used to calculate the weighted average carbon intensity for all in-scope assets under management. Where external data isn’t available, proxies are selected that match the company/fund characteristics.

*** External data used in calculations is based on data at 30 September 2021.

**** Net-zero trajectory is a commitment, credible plan or action taken to achieve net zero greenhouse gas emissions by 2050. Please also refer to our [Cautionary Note on Climate Data](#).

***** Source from [UK government national statistics report \(page 20\)](#).



ADVOCACY THROUGH FINANCE AND BEYOND

We're proud to be a supporter of HRH The Prince of Wales's Sustainable Markets Initiative (SMI) via The [Terra Carta](#), a charter that puts sustainability at the heart of the private sector by providing a road map to 2030 for businesses to move towards an ambitious and sustainable future.

We've collaborated with 11 other banks in HRH The Prince of Wales's financial services task force to create the Net Zero Practitioners Guide. It's written for a wide audience to help the banking industry adopt a consistent and transparent approach to supporting clients' transition to net zero and deliver real emission reduction.

UN'S CLIMATE CHANGE CONFERENCE IN GLASGOW: COP26

As an advocate for sustainability, we were proud to be a principal partner of the UN's climate change conference in Glasgow: COP26. As a founding member of the B Finance UK Coalition, we ran a Go B-ig Breakfast event with our other coalition members. Here, we launched our commitment to support other finance firms in changing their articles of associations to balance both purpose and profit.

At this meeting of business and world leaders, we promoted the SMI as a key stakeholder along with HRH the Prince of Wales. As well as this:

Peter Flavel, our CEO, joined a panel for the B Finance coalition encouraging more finance firms to consider

B Corp Taelor Daniells, as co-chair of the bank's Sustainable Futures Network, led and spoke at an event on institutional activism – helping other companies look at setting up similar employee led networks to help colleagues to embed sustainability at home and at work

Celeste Leverton, our Sustainability Manager, was a panellist at a B Corp Boardroom 2030 event with the Body Shop – a B Lab-led event with six youth voices. Due to the success of the event, we began exploring how we best bring junior voices into our own Coutts Board.

WHERE WE'RE WORKING TO IMPROVE OUR ENVIRONMENTAL IMPACT

Expanding our climate strategy to include setting clear aspirations and tracking progress at Coutts entity level, beyond the current level of alignment to NatWest Group. We also plan to disclose this externally

Recognising the benefit of the SBTi framework to measure and track emissions reductions, we're encouraging our clients to move towards the same standards where possible. From H2 onwards, we'll be providing access to a free emissions footprinting and tracking tool to help inform their strategies

We have [exclusionary policies](#) related to investments in fossil fuels and we're continuing to use our voting rights to engage and drive change to further reduce the carbon emissions from the companies in which we invest

By 2024, we aspire to have issued at least £750 million green mortgages to our clients (fulfilling the criteria set out under Sustainable Lending above)





CLIENTS

13.3

Since certification in July 2021, we've engaged with more than 60 clients and 10 suppliers about achieving B Corp status. In addition, we've worked with NatWest's Purpose-led Accelerator to support 130 entrepreneurs and business leaders by providing a deep dive on the B Corp certification journey and encouraging them to take the BIA as a strategic exercise for their businesses.

EXTERNAL RECOGNITION

THIS YEAR, WE'VE RECEIVED EXTERNAL RECOGNITION FOR OUR SUSTAINABLE BANKING PRACTICES, WINNING THE FOLLOWING AWARDS IN ADDITION TO OUR INVESTMENT AWARDS.



PAM Positive Impact award (2022)



Best Bank Diversity and Inclusion Programme – Global Reach at WealthBriefing's inaugural Wealth for Good Awards (2022)



Best Private Bank Digital Client Communication and Outstanding Mobile Banking Initiative at the Global Private Banker Awards (2022)



WealthBriefing's inaugural Wealth for Good Awards (2022) Best Bank Sustainability Offering (Investments) – UK



Private Banking and Wealth Management (2022) award for Outstanding Private Bank for Sustainable and Ethical Investment

HELPING CLIENTS WITH THEIR PHILANTHROPIC AIMS

200-PLUS CLIENTS HELPED WITH THEIR PHILANTHROPY GOALS.

The award-winning [Coutts Institute](#)* helps clients ensure their charitable giving is effective and rewarding. Our team helps clients to think about how their wealth supports their family values and how they can give effectively to the causes they care about. As a starting point, we encourage clients to explore personal values, interests and passions around giving, as well as the resources they can bring, such as time, expertise, profile and networks. We help clients grow a strategy, involve the family, develop a relationship with those causes that are of key importance and review the impact and results of the donations. This includes, where appropriate, helping to set up a trust or foundation for more ambitious plans.

* Global Finance Best Private Bank 2020 | Best Private Bank for Philanthropic Services
Global Finance Best Private Bank 2019 | Best Private Bank for Philanthropic Services



REWARDING CLIENTS

Responsible luxury sits at the heart of the THANK YOU FROM COUTTS client reward programme. Whether it’s Daylesford Organic with its pioneering organic farming, Lucky Saint on its B Corp journey, The Real Flower Company with its carbon-negative and climate-positive flowers or Harrods Food with its closed loop recycling scheme for waste food and cooking oil, our THANK YOU suppliers are doing their part and share our sustainability ethos.

We actively support our THANK YOU FROM COUTTS suppliers on their B Corp journeys by introducing them to our in-house specialists and champion enterprise by looking for ways we can do more with them.



SUPPORTING THE UK ENTREPRENEURIAL ECOSYSTEM THROUGH THE UK ENTERPRISE FUND (UKEF)

UKEF is intended as a series of annual funds comprising diversified portfolios of private growth capital investments. The inaugural fund (UKEF1) launched in 2021.

Each year, using our client’s capital, the UKEF will be invested to support entrepreneurs and private businesses in multiple sectors throughout the UK. This aligns with our purpose of:

- (i) supporting UK enterprise
- (ii) addressing the funding gap (estimated at £5 billion to £15 billion) for small and medium-sized enterprises pa)
- (iii) addressing the disparity facing underrepresented parts of the ecosystem, such as regional (outside London and the South East (SE)) and women-led businesses

Encouraging diversity and support for women-led businesses

An important catalyst for launching UKEF was NatWest CEO Alison Rose’s Review of Female Entrepreneurship. Commissioned by HM Treasury in 2019, this report identified challenges faced by women when trying to start and scale businesses.

To help address these findings, initiatives were set up by BGF, the UKEF’s Manager, to run alongside direct financial support through UKEF.

These include:

- investment readiness workshops (two in 2022 so far, with six more planned for the year)
- encouraging diversity in management teams through fund manager BGF’s Talent Network
- measures to increase the number of women-led business opportunities

Providing long-term, flexible and patient scale-up capital for private businesses across the UK

We were keen to work with BGF to launch UKEF due to its track record, regional investment presence across the UK and position as the most active investor in women-led businesses*. Moreover, BGF is a progressive company that was open to working with Coutts and NatWest Group to address the barriers faced by under-represented entrepreneurs.

Central to UKEF is also BGF’s embedded ESG strategy and focus on sustainable investing (in particular decarbonisation and resource efficiency), which has included setting up a clean tech advisory board. This has resulted in around 20% of UKEF 1 being invested into companies addressing climate sustainability.

- UKEF 1 closed in September 2021 with £41.5 million raised from 100 investors. Within the first 10 months, UKEF1 built a portfolio of 42 investments nationwide (80% outside of London and the SE) and across 12 broad sectors
- Approximately 22% of total BGF investment in UKEF 1 portfolio companies (£65+ million) is in female-led businesses. Whilst already above the industry standard the fund manager will continue to strive for further progress across subsequent UKEF funds.
- A key learning from the Rose Review has been the importance of promoting transparency around data within the industry (as encouraged through the Investing In Women Code), with measurement and tracking being key to change. BGF has been proactive in adopting a position of transparency and works closely with us to share analysis of UKEF, including investment to date and tracking their pipeline of support for female-led businesses. BGF is now starting to look at other diversity metrics too.
- Through UKEF, we’ll continue to work with BGF to analyse capital committed, as well as wider initiatives, to support both climate sustainability and more diverse management teams, linking with the Rose Review Council to support encouragement of disclosure and tracking of data.



22.1%
Total proportion of BGF investment in UKEF1 portfolio companies led by women (vs 1% industry standard)



20%
Proportion of UKEF1 companies addressing climate change (as at July 2022)

* 2021 ScaleUp Female Founder Index Report

COUTTS INTERACTIVE ENTERTAINMENT ACCELERATOR

We've launched a [business accelerator programme](#) to support 45 UK entrepreneurs within the interactive entertainment sector, including e-sports, gaming and streaming. Its purpose is to assist driven individuals who want to launch or develop their own business. The accelerator will allow entrepreneurs to access and learn from business and industry experts to support them in this high-growth sector.

The business accelerator programme offers:

- one-to-one coaching with our experienced business acceleration managers
- a programme of thought leadership and events
- modern co-working spaces in one of our nationwide hubs
- focused support from experts
- a fully funded programme that can be delivered in person or online

Broken down, the programme supports the following: **55%** games businesses, **35%** e-sports businesses and **10%** streaming businesses, with around **65%** of those supported based outside of London.

EQUIPPING THE NEXT GENERATION

We look after the next generation of clients through our renowned education programme. It brings together world-class education sessions and international networking to help nurture the next generation sending a strong message that real success never comes at the expense of people or planet. So far, **125** next generation clients have completed the programme.

THE COUTTS BUSINESS EXIT PROGRAMME

Business exit is an incredibly important moment in an entrepreneur's life – when years of toil are exchanged for a final amount of money. But there's very little education available on how to do it well, particularly drawing on the lessons of entrepreneurs who have been through it: what they wished they'd known beforehand and how they've adapted to life afterwards.

We've created a [free programme](#) to share 20-plus years of our research.

We've launched a series of video masterclasses that open this knowledge up to all entrepreneurs, regardless of whether they are a client, with 80-plus minutes of content from our experts.

By the end of June 2022, we had taken **42 clients** and prospects through the Business Exit Programme, representing ownership of more than **£720 million** of enterprise value.



WHERE WE'RE WORKING TO IMPROVE OUR SERVICE FOR CLIENTS

Feedback is key to enhancing the Coutts experience, so we run monthly surveys to learn from our clients how we can improve

Running a client council where we proactively test ideas with an engaged group of more than 500 members

Exploring how we can continue to support our clients, suppliers and wider NatWest Group customers with their own journeys to B Corp certification

Expanding our fundraising for entrepreneurs: the second UKEF fund (UKEF2) is under way, with £24 million already committed





COMMUNITY

9.9

In 2021, our staff spent 3,164 hours – 452 workdays – volunteering to help local communities and raised more than £192,000 for various charitable causes.

OUR STAFF-ELECTED CHARITIES

In April 2021, our two-year engagement with [MQ](#) (a mental health research charity) and [Place2Be](#) (a children's mental health charity) came to an end – after we raised a total of £205,220 and volunteered more than 100 hours. Since April 2021, we've engaged with [Future Frontiers](#), an education charity providing disadvantaged 14 to 16-year-olds with access to career coaching and guidance that will empower them to realise their potential and achieve qualifications that will transform their life chances. So far, we've fundraised more than £100,000 for Future Frontiers, and eight staff volunteered by giving their time to coach a young person on the programme.

CLIENTS GIVING BACK TO THE COMMUNITY

Clients can donate Coutts Crowns earned through our THANK YOU FROM COUTTS client reward programme to selected charity partners. This year, more than £350,000 has been donated, including £200,000 to the DEC Ukraine Humanitarian Appeal, with NatWest Group donations matching £2.5 million across all brands. Since 2019, THANK YOU FROM COUTTS members have generously donated in excess of £950,000 to charities including [The Connection](#) homelessness charity and [The Prince's Trust](#).

PARTNERING WITH ST SAVIOUR'S & ST OLAVE'S SCHOOL

Since 2019 Coutts has proudly partnered with [St Saviour's & St Olave's School](#), a Church of England school and sixth form for girls in the London borough of Southwark, supporting both staff and students.

Highlights from the partnership include the following.

- Coutts clients donating 169 iPads via THANK YOU FROM COUTTS to enable girls to attend lessons during lockdown
- More than 90 students being mentored by Coutts employees to help the students achieve their potential and aspirations
- Finance workshops helping more than 80 students develop skills to manage their money
- The introduction of the Angela Burdett-Coutts Award – this is presented to a student who has made an exemplary impact on their community
- 27 students joining our charity fundraising walk

CHOOSING AND MANAGING OUR SUPPLIERS WELL

We've worked with [EcoVadis](#), which provides a marketplace sustainability assessment, in which we achieved an above-benchmark supply chain score. We're now working with suppliers to improve their scores while also introducing minority suppliers via our tender process.

The Coutts Foundation

THE COUTTS CHARITABLE FOUNDATION

For each transaction made by clients using our new debit card, we'll donate 10p to the [Coutts Charitable Foundation](#) (registered with the Charity Commission for England and Wales, number 1150784), up to a maximum of £1 million per year. See [Coutts Positivity](#) for more information.

HELPING WOMEN IN NEED

In the last 12 months, charities receiving funding from the Coutts Foundation have supported more than **17,000** women, ensuring they have access to the vital services they need.

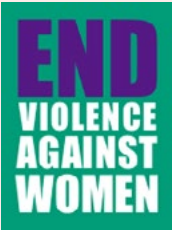
“Funding from the Coutts Foundation has been a lifeline for us. It has enabled us to support core projects and costs that are difficult to get funding for. It’s been magic. It’s helped us to be much more forward thinking and helped our sustainability.”

WomenCentre

“It really helped me to turn my life around and live the best quality of life I can. The people at the Women’s Centre believed in me and that helped me believe in myself. I will be forever grateful.”

A beneficiary of Stockport Women's Centre

THE COUTTS CHARITABLE FOUNDATION CURRENTLY PROVIDES FUNDING TO:





THE QUEEN'S GREEN CANOPY

We're proud to be a founding partner of [The Queen's Green Canopy](#) (QGC). This is a tree planting initiative created to celebrate the Queen's Platinum Jubilee in 2022 by inviting people from across the United Kingdom to

“plant a tree for the jubilee”.

In March, Peter Flavel planted a commemoration tree in Embankment Gardens, in collaboration with the NorthBank, to mark the jubilee. We also planted multiple trees at NatWest Group's Edinburgh campus in Gogarburn with The Conservation Volunteers TCV, who are also a partner of the QGC and with whom NatWest has worked for more than 15 years.



SOCIAL BITE CAFE

[Social Bite on the Strand](#) officially opened in March 2022 as a coffee shop with a difference, providing customers with the opportunity to “pay it forward” for someone experiencing homelessness. Recognising the importance of Social Bite's work, we waived the rent over a three-year lease. Since its launch, over 350 meals (including food, drink, and snacks) have been provided through the coffee shop to people experiencing homelessness.

Social Bite is working collaboratively with The Connection at St Martins, The Passage and The Big Issue as part of this service, with plans to scale up to engage more partners. Two individuals with a background of homelessness are currently in employment through Social Bite's [Jobs First](#) initiative, in which they receive wrap-around support from its training and support worker.



ALAYA BY BENEVITY

In November 2021, we engaged with [Alaya by Benevity](#), a fellow B Corp, to provide a volunteering platform for all our employees. So far on Alaya, we have:

476 registered users
328 hours volunteered
418 goods donated



B CORP WALK

In October 2021, 135 colleagues took part in 30km fundraising B Corp Walk in London. In total, more than £12,000 was raised for staff-elected charity Future Frontiers, with about 2,900km walked in aggregate.



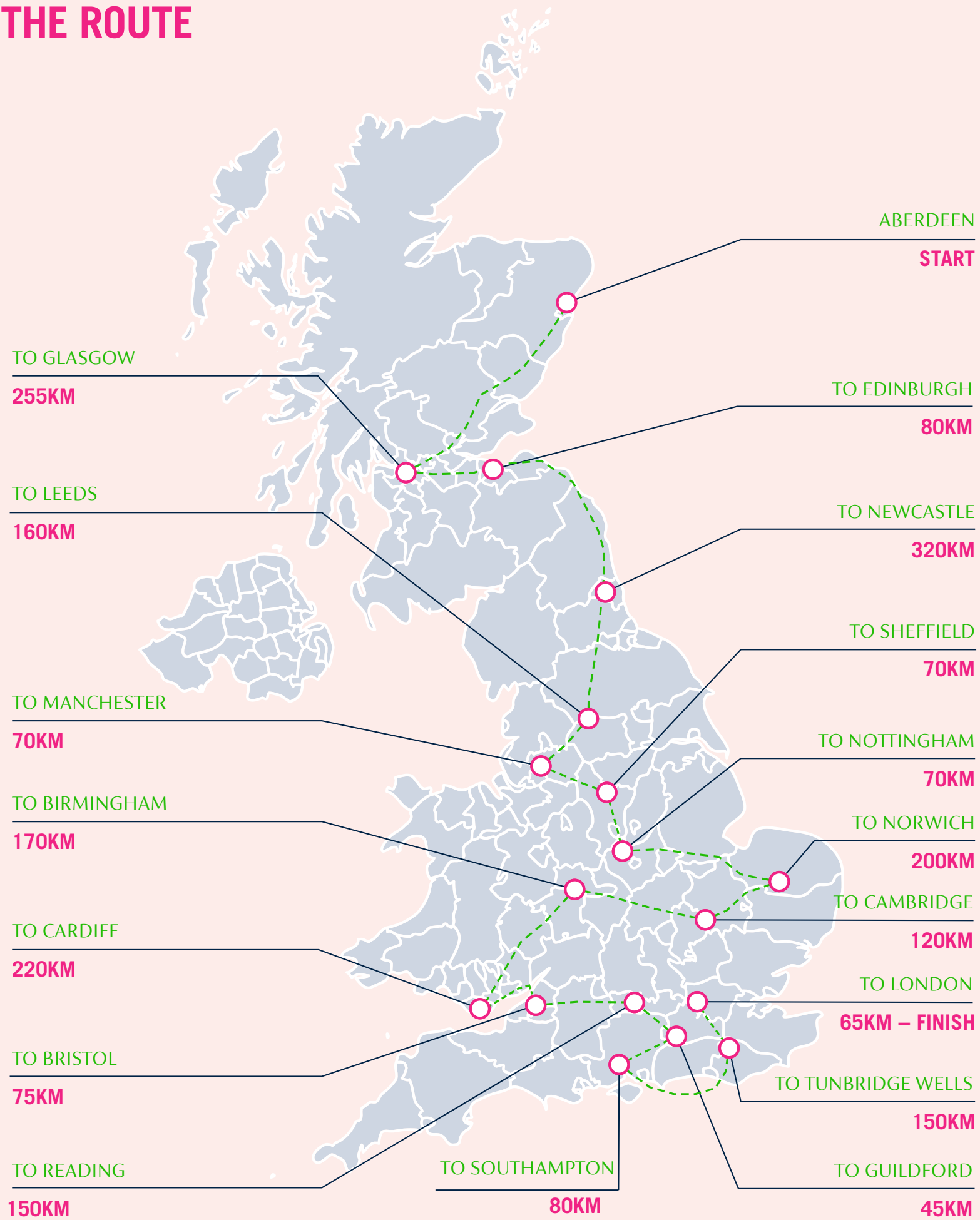
330 CHALLENGE

To celebrate our 330-year anniversary, our colleagues set themselves the challenge of raising £330,000 for Future Frontiers. Over a five-week period throughout the months of June and July, staff have cycled, run and sailed an engraved baton across the country to visit all 17 Coutts offices in the UK.

The baton has travelled just over 2,500km*, from Aberdeen to London via Glasgow, Edinburgh, Newcastle, Leeds, Manchester, Sheffield, Nottingham, Norwich, Cambridge, Birmingham, Cardiff, Bristol, Reading, Guildford, Southampton and Tunbridge Wells. Some sections included 100km+ bike rides, hiking through mountains and cycling the South Downs way.

We had 426 colleagues from across the country getting involved in the main event and many other colleagues taking part in more localised walks and fundraisers.

THE ROUTE



* Please note that the sum of the distances in the baton relay route map doesn't include all activities and therefore won't add up to this total figure.

WHERE WE'RE WORKING TO IMPROVE OUR IMPACT ON THE COMMUNITY

We have a volunteering policy in place that offers three paid days of volunteering leave per annum (prorated for part-time employees) to enable all our colleagues to give back to the wider community. We're also actively working with Alaya by Benevity to increase the number of employees who take volunteering leave.

We know our community activity can be far-reaching and complex, so we're working to devise a philanthropy statement aimed at making it easier for clients to engage, as well as increasing the transparency of our activity and associated impact.

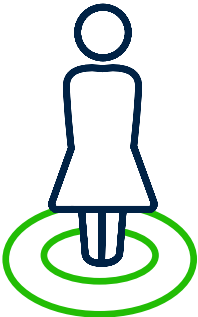




COLLEAGUES

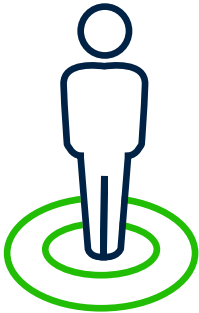
35.2

OUR WORKFORCE*:



TOTAL
% FEMALE

45.9% (858)



TOTAL
% MALE

54.0% (1012)



SENIOR MANAGEMENT
% FEMALE

27.3% (41)



SENIOR MANAGEMENT
% MALE

72.7% (109)

* Data correct as of May 2022. Senior management defined as executive director level and above. For percentage breakdown of female v male staff members, one unknown makes up 0.1%.



ENSURING DIVERSITY AND SOCIAL MOBILITY

Being part of NatWest Group, the majority of our aspirations are linked to the wider group metrics. It publishes progress against the aspirations quarterly. Our aims are as follows.

ACHIEVE FULL GENDER BALANCE BY 2030

HAVE 14% ETHNIC MINORITY COLLEAGUES IN OUR UK TOP FOUR LEADERSHIP LEVELS BY 2025

HAVE 3% BLACK COLLEAGUES IN UK SENIOR ROLES BY 2025

Each of our senior leaders has a personal objective in their performance goals to improve diversity in their area and strengthen the female talent pipeline.

Over the past five years, we’ve engaged with UpReach to run a Coutts Summer Insight Week, during which there’s an opportunity to secure a Coutts internship. Just under half (five out of 11) of our last intern cohort came through UpReach. We also have an employee-led social mobility committee, aiming to support at least 200 UK students by the end of 2022. We also hired individuals from 10,000 Black Interns and via our Female Insights Week.

Working with Leadership Through Sport and Business, in 2020 we welcomed 10 apprentices who will have the opportunity to secure full-time roles at the end of the programme.



HOW PROMOTIONS WORK

Our annual promotions process is unbiased, with compulsory diversity in interview panels. Promotion announcements are fully transparent, with a year-on-year gender breakdown report. More than 6% of our employees have been promoted this year.

SHAREHOLDER OPPORTUNITIES

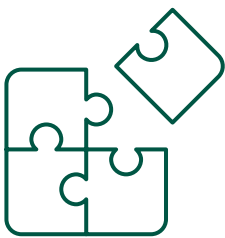
We’re an accredited Living Wage employer and also offer a ShareSave employee share plan to all staff. Employees can save for three and five years and get an ‘option’, which they can use to buy NatWest Group shares.

FLEXIBLE WORKING

We understand the pressures, demands and needs of our employees, and offer a variety of flexible job opportunities, including shifted working patterns, part-time jobs and job-sharing.

OUR CULTURE

Fostering an inclusive, diverse and collaborative culture that champions potential is essential. We assess our progress and employee sentiment through a biannual employee survey and monthly pulse surveys. In our latest biannual survey, our total favourable culture score came out at 84/100. Our average staff turnover was 6.8% as of 30 June 2022. Average length of service is 11 and a half years, with 784 colleagues working at the business for more than 15 years, of which 55 colleagues have had 30 years’ service.



PEOPLE COUNCIL

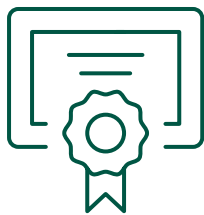
Our People Council acts as the voice of colleagues in shaping our culture and provides an opportunity for our executive committee and board to engage directly with colleagues.

DIVERSITY & INCLUSION COUNCIL

Our Diversity & Inclusion Council is chaired by our chief executive. The council members are chairs of the employee-led networks on:

- ethnicity
- faith
- gender
- LGBTQ+
- enable (promoting a fully disability smart bank)
- social mobility

We also have a number of inclusion champions, who are trained staff who offer a confidential way for colleagues to share any concerns about behaviour or culture at work.



B CORP INTERNAL TRAINING

Working with fellow B Corp Gong Communications, we’re creating a mandatory six-module B Corp training programme for all staff, with rollout planned for H2 2022. We’re also running bespoke, more in-depth training sessions for frontline staff to help them articulate the benefits and answer client and supplier questions around B Corp.



WINNING THE 2021 PRINCESS ROYAL TRAINING AWARD

This award honoured Coutts for investing in staff training through a collaboration with Mindflick.

The judges commented:

“This private bank worked with performance psychology company Mindflick to develop THiNK: a leadership programme to help leaders get the best out of themselves and others. The programme which includes collaborative problem-solving has led to significant financial outcomes, a 44% increase in promotion success and a 23% rise in staff engagement.”

WHERE WE'RE WORKING TO IMPROVE OUR IMPACT FOR OUR WORKFORCE

Running a campaign to simplify data collection and track employee learning and professional development in our HR system. This will help us form a better picture of where our colleagues are spending their time and where we can better support their development

Focusing on improving our representation of women and Black, Asian and ethnic minority colleagues. Ensuring diversity and social mobility plans are in place to:

- achieve full gender balance by 2030
- have 14% ethnic minority colleagues in our UK top four leadership levels by 2025
- have 3% Black colleagues in UK senior roles by 2025

Working with the wider NatWest Group to increase paid secondary parental leave from its current position of 10 working days

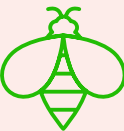


GOVERNANCE

15.6

INTRODUCING B CORP AS A BANK-WIDE STRATEGIC GOAL

Alongside ensuring our decision-making takes our corporate purpose to champion potential into account, we’ve introduced our aspirational B Corp recertification score (90 B Corp points in 2024) as one of our high-level strategic goals. This helps ensure that strategic decisions are considered against the associated impact on B Corp scoring.



THE B-KEEPERS – B CORP WORKING GROUP

The overarching purpose of the B-Keepers is to identify opportunities to improve B Corp scores year-on-year and identify areas at risk of decline. Working with oversight from the sustainability team and the executive committee, they work in partnership with other areas of the businesses to factor B Corp scoring into the work being undertaken.

Our articles of association detail the role of our Board of directors, who are responsible for governing the business. We publicly disclose our financial results and progress of the business annually, and integrate social and environmental factors into decision-making.

B FINANCE

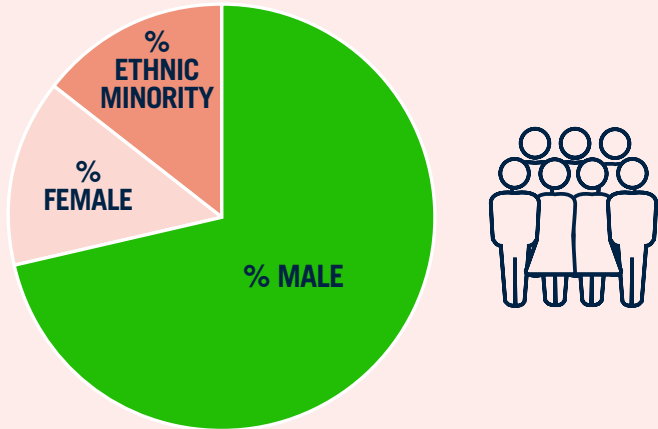
We’re an active member of B Finance – a B Lab UK-run working group that includes B Corp certified financial firms in the UK.

LISTENING TO OUR PEOPLE

A highly engaged workforce is crucial in helping us to achieve our vision. In our biannual employee survey, key measures such as engagement, leadership and inclusion are all up by 20%-plus over the last five years. Feedback is factored into Board and management decision-making.

WHAT OUR BOARD LOOKS LIKE

The Board has seven directors, of whom two are women, with one also being from an ethnic minority background. Board diversity is supported by a boardroom inclusion policy, which includes gender and ethnicity diversity targets. The policy sets out the aspiration to meet the targets set by the Hampton-Alexander Report on FTSE100 Women Leaders (33% female balance) and the Parker Report Beyond 1 by ’21 (at least one director from an ethnic minority background to be included on the list of candidates by 2020/21). Board diversity improved in 2021 as a result of changes in composition, however, it remains below the gender target. The Board remains focused on developing its diversity, both across gender and ethnic diversity, and has factored these considerations into its current succession planning activities.



FULL TRANSPARENCY

We adhere to NatWest Group’s financial reporting framework to ensure full transparency in our accounting and management practices. This is routinely monitored through internal and external audit reviews and a sustainability check. We also disclose our CEO’s remuneration via an anonymised NatWest Group policy.



INTRODUCTION OF JUNIOR VOICES

We have a junior management team that works closely with the executive team. In H2 2022, the Coutts Board will be increasing access to its meetings to the junior management team via the role of open chair. We’re proud to be taking part in the Boardroom 2030 initiative from B Lab UK. Boardroom 2030 is challenging all businesses to explore what the next decade could look like by running a board meeting in a unique way: engaging key stakeholders to draw attention to changes they must make today to meet future demands and create a better 2030. We held our meeting at the Royal Albert Hall, with attendees from our junior management team representing the decision makers of the future, alongside B Corp client Geoff van Sonsbeeck, who provided diversity of thought as an open chair. Following this success, we’re committing to support other B Corps and clients with their boardroom 2030 enactments.

WHERE WE'RE WORKING TO IMPROVE OUR GOVERNANCE

In line with our commitment to transparency, we're focusing on improving the disclosure of specific environmental and social targets, and our progress against these. Furthermore, we're considering ways we could increase the transparency of our Coutts Board activity.

In H2 2022, members of the junior management team will be joining Coutts Board meetings in the open-chair capacity to provide diversity of thought and counsel.

Consideration is ongoing in relation to how to best bring client and supplier voices on sustainability into the Board.



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