



NatWest

# Environmental and Social Risk

27 February 2026

## Animal Welfare Risk Acceptance Criteria

Terms with an asterisk \* are defined in the glossary below

### Background

We recognise that the activities of our customers can have Environmental & Social (E&S) impacts – including polluting activities and the potential for human rights violations. The E&S Risk Framework 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.

It is comprised of E&S Risk Acceptance Criteria (RAC) for seven sectors which present heightened E&S risk and a RAC for human rights. Customers whose activities fall within a sector RAC, or any other customer where associated E&S risk concerns have been identified, are subject to enhanced due diligence.

We expect all customers to comply with all applicable laws, regulations, and licensing conditions relevant to their operations.

We also have an E&S risk concerns process which seeks to ensure that E&S risk is identified and managed for customers and transactions in sectors which are not covered by a RAC, or where there may be multiple issues or complexities.

### Scope

The E&S Risk Framework applies to all legal entities in NatWest Group for the on-boarding of non-personal customers for the purpose of providing Financing\* and applies to the management of E&S risk throughout these customers’ life cycles.

### Context

The E&S Animal Welfare RAC covers the following activities:

- Animal Testing
- Animal products used for fashion/retail
- Animals used for entertainment
- Hunting Trophies

We expect all customers in the agriculture sector or who are responsible for the welfare of animals in their day-to-day operations to adhere to all laws and regulations related to animal welfare and encourage them to respect the standards outlined in the Five Animal Freedoms.

We only support companies involved in animal testing where they have obtained a relevant licence. The UK Government is committed to ensuring that any company granted a licence under the Animals (Scientific Procedures) Act 1986 must rigorously and demonstrably apply the 3Rs principles (Replace, Refine, Reduce).

We expect all companies to operate in line with all relevant local, national and international laws specifically the UK Animal Welfare Act 2006, and any licencing regimes where applicable for the activities that they undertake. Where material concerns relating to Animal Welfare Violations\* are identified, we will engage with the customer to understand the actions they have taken to cease and remediate and prevent future violations.

## Prohibited

- Animal testing without a licence where a licence is required.
- Fur traders and fur retailers where it is their primary product line.
- Direct involvement in fur farming (for example, foxes, seals, minks, cats and dogs).
- Direct involvement in Angora (wool and fur) production.
- Game reserves used for trophy killing.
- Import of hunting trophies to the UK.
- Companies who use animals for entertainment purposes including whales and dolphins (this excludes the use of animals for educational or informative purposes, where the appropriate licence has been obtained).

## Restricted

We conduct enhanced due diligence where:

- There is Evidence\* of Animal Welfare Violations where the customer is able to demonstrate that it has taken action to cease, remediate, prevent and/or mitigate, as appropriate, the relevant violation within a time frame which is acceptable to the bank.

## Glossary - Terms with an asterisk \* are defined in the glossary below

Item	Definition
Animal Welfare Violation	A breach of relevant animal welfare legislation or animal codes of practice.
Evidence	A finding of an animal welfare violation by a government (including a government agency), supervisory authority or national or international court.