

NatWest investor statement April 2026

Good morning members of the Board. My name is Jeanne Martin, Head of the Banking Programme at ShareAction. This statement is on behalf of ShareAction and 16 institutional shareholders, which I'll name at the end, representing \$1.38 trillion USD in assets under management.

As a major banking group in the UK, NatWest Group plays a key role in the economy's transition to net-zero. Back in 2021, the bank demonstrated climate leadership when it became a principal partner of COP26 and introduced a new fossil fuel policy which was celebrated by many at the time for being leading practice.

However, this February, NatWest Group reduced the ambition of its fossil fuel policy and climate targets. The bank dropped its commitment not to finance oil & gas majors lacking a credible transition plan or failing to report their overall emissions. It also removed its commitment not to finance upstream oil & gas companies where the majority of their assets being financed are outside of the UK, and abandoned targets covering aluminium, cement, and iron & steel, without providing a robust explanation for why the bank no longer deems these sectors to no longer be material.

Investors are concerned by the bank's changed outlook on climate change at such a critical point in the energy transition.ⁱThe transition to a cleaner economy is not going away. This creates a significant risk of stranded assets, exposing lenders to potential losses, particularly from the fossil fuel sector. The European Central Bank has warned of a "non-negligible increase in credit risk impairments" in a disorderly transitionⁱⁱ, while the Bank of England warns impairment rates for fossil fuels could be twice as high as for other corporate portfolios.ⁱⁱⁱ

Notably, climate-related extremes across Europe caused more than twice as much damage during the period 2022-23 as in the entire preceding decade.ⁱⁱⁱ NatWest Group has reported that 3.4% of its UK home loans – including those provided via its private banking division – are already at high flood risk, with a further 1.3% at very high risk.^{iv} Investors expect clear, consistent plans for the clean energy transition that will mitigate these risks and their associated costs.

The signatories of this statement would like to meet with NatWest Group this year to discuss the bank's climate strategy in light of these recent rollbacks. **Will you, Rick Haythornthwaite, Chair of NatWest Group, personally agree to meet with this group of shareholders to start a dialogue within the next three months?**

This statement was signed by:

- Axiom AI
- Border to Coast Pensions Partnership
- **Cardano** – *please note Cardano are not to be named in media*

- Church of England Pensions Board
- Ecofi
- EdenTree Investment Management
- Epworth Investment Management Limited
- EQ Investors
- Ethos Engagement Pool International
- Ethos Engagement Services Clients
- Ethos Foundation
- Greater Manchester Pension Fund
- John Ellerman Foundation
- Mirabaud Asset Management
- Nest
- Ofi invest AM
- PFA Pension
- Rathbones Investment Management
- Strathclyde Pension Fund

ⁱ European Central Bank (2022). *2022 climate risk stress test*. Available at: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.climate_stress_test_report.20220708~2e3cc0999f.en.pdf

ⁱⁱ Bank of England (2022). *Result of the 2021 Climate Biennial Exploratory Scenario (CBES)*. Available at: <https://www.bankofengland.co.uk/stress-testing/2022/results-of-the-2021-climate-biennial-exploratory-scenario>

ⁱⁱⁱ European Environment Agency (2025). *Europe's Environment 2025*. <https://www.eea.europa.eu/en/europe-environment-2025/main-report>