

The Co-operative Bank

Environmental, Social and Governance
Business Approach 2023

The **co-operative** bank

Ethical then, now and **always**

Introduction and foreword

Nick Slape, Chief Executive Officer

In 2022, The Co-operative Bank celebrated a major milestone in our bank's history as we marked 150 years of ethical banking. Throughout the year, we took the opportunity to reflect on our incredible history, from the Loans and Deposits Department of the Co-operative Wholesale Society to a brave and forward-thinking organisation with a strong social conscience.

In June 2022, we launched our updated Ethical Policy, reaffirming our leadership in ethical banking. For 30 years, our customer-led Ethical Policy has remained a unique document within UK banking. Informed by responses from 370,000 of our customers since its first iteration in 1992, our updated Ethical Policy is built on the three pillars of **Planet, People** and **Community**, reflecting the issues that our customers told us mattered to them most.

Our unwavering commitment to the co-operative values and ethics we share with our customers and communities shapes our approach to Environmental, Social and Governance (ESG) responsibilities. Our annual Sustainability Report demonstrates how we have performed against our existing ESG commitments, and lays out ambitious commitments for the year ahead and beyond.

I'm extremely proud to introduce this ESG Business Approach which details the activities, initiatives, products and policies which make us the UK's most ethical bank*.

Nick Slape

Chief Executive Officer

*Awarded Most Ethical Bank UK Award 2022 by the Capital Finance International (CFI).



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About The Co-operative Bank

The **co-operative** bank

The Co-operative Bank at a glance

The Original Ethical Bank

The Original Ethical Bank

2022 marked the 150th Anniversary of The Co-operative Bank. The Bank's story began in 1872, as the Loans and Deposits department of the Co-operative Wholesale Society, and we have worked hard ever since to provide our customers with a real alternative to the larger retail banks. We always put our customers at the heart of what we do and we are committed to the values and ethics of the co-operative movement.

We offer high street, telephony and online services, including current accounts, savings, mortgages, personal loans and credit cards to retail customers and offer banking services for small and medium sized businesses, charities, social enterprises and co-operatives including current accounts, savings, loans, overdrafts and credit cards.

Read more about us
here



Our Ethical Policy

Our commitment to co-operative values and ethics has been fundamental to us since we established the Bank in 1872 and still underpin how we run our business. To outline our ethical commitments, in 1992 we took a pioneering step and introduced a customer-led Ethical Policy. We were the first bank in the UK to do so, and are still the only UK high street bank to have one of its kind.

We often ask our customers to tell us about the things that matter to them, through a Values and Ethics Poll and want us to take action on, and regularly update our Ethical Policy to reflect this. After listening to our customers, our latest Ethical Policy focuses on what we do for our planet, people, and the community, and our commitments within these spaces.

Read our latest Ethical
Policy



View the results of our
latest Ethical Poll (2021)



Our guiding values

Our Guiding Values set out the key behaviours that will help us to deliver on the Ethical Policy and our brand promise to our customers.

The way we work sets us apart, as a different kind of bank. As colleagues and leaders, we need to have conversations about how we deliver our business strategy guided by our values, which have been created with and for us all. Our Values have not been defined in isolation. They are our own words and they stand for who we are and how we work.

Take Responsibility



We are performance driven, we look for and drive opportunities and risks, and deliver good customer outcomes

Do The Right Thing



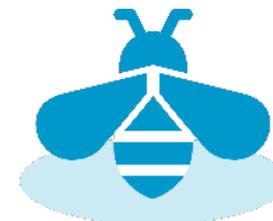
We listen, understand and challenge constructively to deliver for our Bank, colleagues, customers and communities

Step Up



We embrace change, seek to continuously improve and simplify the Bank with a can do, will do attitude

Stronger Together



We are People with Purpose, collaborating with respect and challenge, focusing on shared goals to unlock our co-operative spirit

Colleagues are recognised and held to account for ‘how’ they work as well as ‘what’ they do as part of performance management. The ‘How’ and the ‘What’ form part of objective setting and development discussions with leaders.

The values are embedded throughout our colleague lifecycle including our recruitment and on-boarding processes and colleagues receive annual training as a reminder. Colleagues are introduced to the Values as part of our Bank wide induction where we discuss how the values were created in consultation with colleagues, how they guide or behaviours day to day and how they align to the wider values of the Co-operative movement.

Our history

Our co-operative values

We are a bank built on co-operative values

The Co-operative Bank was born from the co-operative movement over 150 years ago. The co-operative values on which the movement was founded are still important to us today; they are more than the foundations of the bank, they are what brings us together – colleagues, customers, the businesses who bank with us, the charities we support and the campaigns we stand for.

We operate under both the co-operative values and co-operative ethical values of the co-operative movement. These values also form the basis of our colleague values, which guide how we work. Continuing to demonstrate how these values guide us is what enables us to continue to use our co-operative name. We measure and report on this on a quarterly basis, to Co-operatives UK, the central membership organisation for co-operative enterprises throughout the UK. The ability to use the brand is primarily driven by our alignment to these co-operative values, and how we consequently operate, rather than our ownership structure.



Our policies

Documents and external references

Unlike a lot of businesses, we haven't just developed an ethical approach — we've had one from the very start. And our policies are key in helping us make sure that remains at the heart of everything we do.

Our policies are how we protect and support our colleagues, our customers, and the world around us.

Find Our Policies
here



ESG Reporting and Verification

Sustainability Report 2022

Our Sustainability Report 2022 brings together our Environmental, Social and Governance reporting with our annual report for customers on how we have upheld the commitments in our customer-led Ethical Policy over the last year.

Read our 2022 Annual Report and Accounts



External Assurance of our Ethical Credentials

In 2022, we commissioned SGS to undertake assurance of our Sustainability Report and provide commentary on materiality, inclusivity and responsiveness of the Bank's overall sustainability approach.

Their Assurance Statement can be found within our Sustainability Report.

Read more in our Sustainability Report, p33-36



Our Values and Ethics in Action
Sustainability Report 2022

**Ethical then.
Ethical now.
Ethical always.**

The **co-operative** bank

Agenda

- Finance commitments**
Environmental, social and governance commitments
Next steps?
- do?**
Reviewed our direct and indirect emissions and are committed to net zero on our Scope 1 & 2 direct emissions by 2030, and to net zero on our indirect Scope 3 emissions by 2050.
Recycled 74% of operational waste, with the remaining going to energy recovery facilities. This is a great improvement on year in 2020, when only 41% of waste was recycled.
Reported a ratio of 0.8 in 2022, a significant reduction on our net.
- do?**
The customer base increased by 4% on a like-for-like basis. This has been impacted by shrinkage in the sector. To ensure we support co-operatives across the UK, we have increased our support to co-operatives and have invested a further £400k in our support for Co-ops programme in partnership with the Co-op Bank. We also continue to provide free banking services for co-ops.
- do?**
Helped to publish Refuge's report on the findings from the investigation and took action by updating our website to make it easier for customers to report economic abuse.
Co-ops exceeded our expectations by spending 4,170 hours on volunteering, more than doubling our support within local communities.
- do?**
Remuneration, including that of the Executive team, is aligned against our internal performance scorecard. As of 2022, a portion of our scorecard is made up of ESG performance metrics such as reducing our GHG emissions.
41% of senior positions across the Bank had been women in our 2022 Women in Finance Charter and Pay Gap Report. We remain committed to progressing towards our 45% target.

do?
In 2022, we were proud to publish the sixth iteration of our customer-led Ethical Policy as well as developed a Bank's Green, Social and Sustainability Financing framework and issued our inaugural Green Bond. We launched Green Further Advances for our customers to aid home efficiency improvements and developed Bridge to Banking, which will allow homeless young people to access our basic bank account when launched in Q1 2023.

do?
In 2022 we will launch an updated Ethical Policy, shaped by the views of our customers. We'll launch ESG labelled bonds, Green Mortgages and Homeless Bank Accounts.

- Includes sites where the Bank has full control of water management only.
- Opportunities for corporate volunteering were impacted by Government restrictions due to COVID-19 in 2020 and 2021.

Our 2022 highlights

Values and Ethics in Action

Alongside our annual financial results, The Co-operative Bank published its Sustainability Report on 1 March 2023. Our ESG and Sustainability highlights from 2022 are summarised below and in the report.

Read more about our 2022 highlights in our Sustainability Report



We published the sixth update to our unique, customer-led Ethical Policy, shaped with the collective input of over 370,000 customer responses

Our colleagues have donated **4,170** volunteering hours, giving back to our local communities and helping people to thrive



Awarded the UK's **Most Ethical Bank** by CFI

We're **promoting equality** by addressing gender and ethnicity balance within our workforce

Together with our customers we've raised over **£1.6m** for charity in 2022



We're still **beyond carbon neutral**. In 2022 we reduced our operational greenhouse gas emissions by 33%

233

Businesses screened



8

Businesses declined banking services

We **don't provide** banking services to businesses whose activities conflict with our **updated Ethical Policy**

ZERO HOUR 

We're leading the campaign on environmental protection with Zero Hour, the campaign for the **Climate and Ecology Bill**



Our commitments

Our 2023 ESG targets

In 2023, The Co-operative Bank announced new ambitious commitments under Environmental, Social and Governance (ESG).

Our Environmental Commitments

Scope 1 & 2: Reduce direct scope 1 & 2 emissions related to energy consumption by 6 % in 2023¹ with a Net Zero status by 2030.

Scope 3: Develop a robust programme of work as we strive to decarbonise the Bank and achieve Net Zero status by 2050.

Replenish nature-deprived spaces: Support the reversal of nature loss and improvement in biodiversity across the UK.

Increase recycling further: Aim to recycle at least 75 % of operational waste.

Support customer sustainability: Help our customers measure, manage and improve their sustainability.

Introduce new 'green' mortgage products and increase the proportion of A or B EPC rated property mortgage lending by 20 % year-on-year.

Our Social Commitments

Campaign to transform the private renting sector: Protecting people at risk of homelessness.

Investment in branches: Regeneration and relocation of some of our existing branches to support the communities in which they're located.

Community support: Committing at least £30m lending to support businesses, organisations or co-operatives to improve our communities and the environment.

Putting our values into action: Giving back to our communities by increasing colleague volunteering hours by 50 %.

Our Governance Commitments

The Co-operative Bank Charitable Fund: Committing a proportion of Bank profits used to drive positive social and environmental change whilst responding to the needs of our communities.

Women in senior positions: Remain committed to our aspirational target to have 45 % of senior positions filled by women.

Training for all colleagues: Ensure that all colleagues, including Board and Executive Committee Members, undertake additional training in Environmental, Social and Governance related risks.

Financial Reporting

Annual Results and TCFD Reporting

Annual Report and Accounts

Our Annual Report and Accounts 2022 were published on 1 March 2023 and detail The Co-operative Bank's financial results from 1 Jan 2022 – 31 Dec 2022.

Read our 2022 Annual Report and Accounts



Taskforce on Climate-Related Financial Disclosures (TCFD)

The Co-operative Bank has been ahead of the curve in disclosing our climate-related commitments. We have not financed fossil fuel extraction, production or infrastructure since 1998 and one of the three pillars of our refreshed Ethical Policy is 'Planet'. Our second year of reporting climate-related disclosures in line with TCFD recommendations demonstrates how we embed climate-related issues throughout the Bank from Board to branch.

Read more in our 2022 Annual Report and Accounts, p37



Environment

How we protect our planet

The **co-operative** bank

Our Environmental and Biodiversity Policy

and Environmental Management System

Environmental and Biodiversity Policy

The Co-operative Bank is committed to acting in a way that minimises its impact on the environment. As part of its Environmental and Biodiversity Policy, The Co-operative Bank has committed to comply with all relevant environmental legislation, prevent pollution and minimise the use of natural resources. This commitment resonates in the Bank's engagement with its supply chain, including the requirement for Fairtrade and FSC/PEFC product specification, all aspects of its operation, and engagement with customers and society.

Read our Environmental
and Biodiversity Policy here

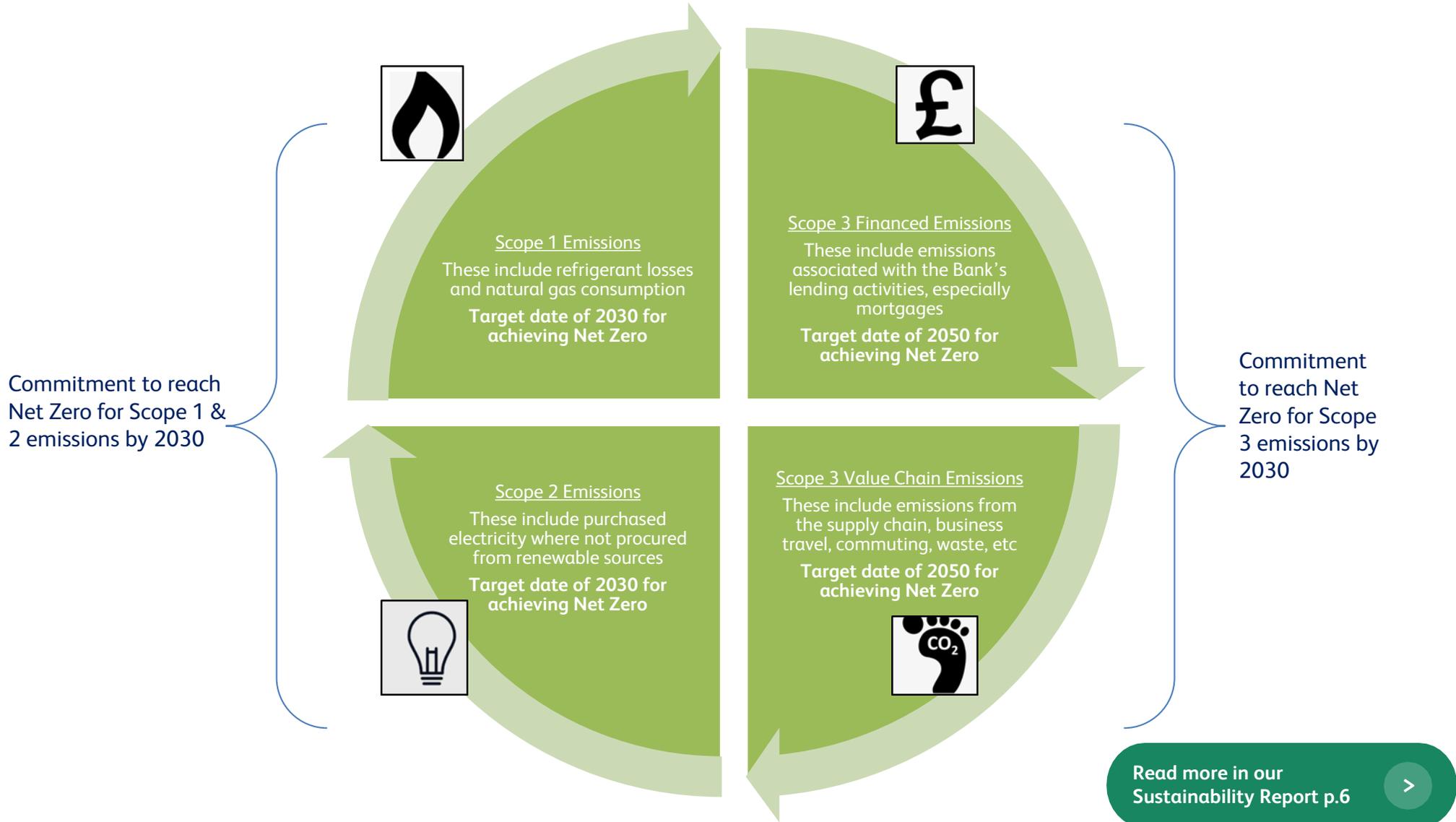


The Bank's environmental impacts are managed and mitigated against through the following processes and practices:

- Our Sustainable Procurement and Supplier Policy, which dictates the environmental aspects of the procurement process
- Our continued commitment to **Zero Waste to Landfill**, which ensures that the Bank does not send any operational waste to landfill. We also work continuously to increase the proportion of waste that we recycle
- Our commitment to achieve **Net Zero** by 2030 for its operational emissions and by 2050 for our indirect emissions. Delivery of this target includes reduction in energy consumption by increasing energy efficiency and optimisation of Bank infrastructure to ensure alignment to Net Zero by 2030.
- Our campaigns to bring about positive change for the environment, such as the work with Zero Hour to support the Climate and Ecology Bill.
- Supporting our customers to make sustainable choices via our green product offerings.
- Supporting industry wide initiatives such as the UN Environment Programme Finance Initiative Principles for Responsible Banking.
- Sourcing the electricity we buy from renewable sources.
- Taking action to reduce our environmental impact and **offsetting** our operational carbon emissions plus an additional 10%. This means that The Co-operative Bank is 'beyond carbon neutral'.
- Supporting environmental projects around the world through our carbon offsetting payments, in partnership with **Climate Impact Partners**.
- Our current account customers have the option to donate their Everyday Rewards payments to **The Woodland Trust**.
- Our colleagues regularly use their **volunteering** time to support local environmental projects, including beach cleans and tree planting.

Scope 1,2 and 3 Emissions

GHG reduction and pathway to net zero



Carbon Offsetting

The Co-operative Bank has been '**beyond carbon neutral**' for our operations since 2007. We achieve this by offsetting our carbon emissions, plus an additional 10% to address the impact our business activities have had in the past.

We will offset **110%** of our operational greenhouse gas emissions for 2022. This is **982 tonnes** CO₂e (893 tonnes + 10%), comprising our Scope 1 and 2 emissions plus business travel. To meet our 'beyond carbon neutral' goal, our offsetting programme delivers finance to projects which are reducing emissions now, supporting the transition to a low carbon global economy.

We work with **Climate Impact Partners**, specialists in carbon market solutions for climate action, to deliver this programme. All of their projects are independently verified to assure emission reductions are occurring. This ensures the highest environmental integrity and a commitment to have an immediate, positive impact on the climate.

We select projects that have a positive impact on the environment and the local population and which are aligned to our Ethical Policy. The offsetting for our 2021 emissions supported these two amazing projects.



Read more in our
Sustainability Report p.17



Carbon intensity and energy usage

As part of its Sustainability Report the Bank monitors its annual carbon intensity and energy usage. The Bank has been able to demonstrate a reduction of carbon intensity of 2.9 tonnes CO₂e per FTE in 2018 to 0.8 tonnes CO₂e per FTE in 2022. Energy usage has decreased from 8093 tonnes CO₂e in 2018 (fuel combustion and electricity consumption) to 2051 tonnes CO₂e in 2022.

Scope 1 & 2 greenhouse gas emissions by source ¹

Source of emissions	Total emissions (tCO ₂ e)				
	2022	2021	2020	2019	2018
Fuel combustion	489	805	845	876	1032
Electricity consumption ²	1,562	2,181	2,786	5,811	7,061
Refrigerant leakages	71	164	230	312	650
TOTAL ³	2,122	3,150	3,861	6,999	8,743
Carbon intensity (tCO₂e/FTE) ^{4,5}	0.8	1.3	1.3	2.4	2.9

[Read our Environmental and Biodiversity Policy here](#)



Sustainable Procurement

Our Supplier Policy and processes

As a business, we need to ensure that we behave ethically not only in the direct impact of our activities, but also indirectly through our supplier relationships. Therefore we make the following commitments as part of our Ethical Policy:

- We assess whether the operations of suppliers directly engaged by The Co-operative Bank are consistent with our Sustainable Procurement and Supplier Policy, which reflects our Ethical Policy.
- We aim to work with our suppliers to manage The Co-operative Bank's own environmental impact and support our policy of being beyond carbon neutral. In particular, we seek to:
 - Use renewable energy and manage our energy efficiently.
 - Reduce our reliance on fossil fuels.
 - Reduce our reliance on chemicals that persist in the environment and have the potential to harm health.
 - Embrace natural products and services.
 - Minimise waste through recycling and other sustainable waste management practices.

The process in summary:

- As part of the Banks procurement/ supplier lifecycle framework all new services (and at point of renewal) are taken through a Sourcing Preparation Tool which incorporates a triage; materiality assessment and subject matter expert engagement to determine if the service impacts any risk policy domains. This will then be assigned to a Procurement Lead to review/ work with the service owner to complete required actions. Depending on classification the Bank is required to complete additional governance requirements such as: internal Risk assessments; Business continuity plans & exit plans. The documentation identifies geographical location of where the service is performed including sub-contractors; people risk such as TUPE & training.
- Suppliers are also issued the SPSP & a supporting SPSP questionnaire; for any incumbent suppliers upon renewal Procurement ensure that the supplier is signed up to the current version. The supplier is asked to confirm that they have read the Policy and attest that their business activities do not breach the policy; the supplier completes the questionnaire and returns the response for review. If a supplier does not meet the Banks appetite then the escalation process is followed and alternative providers where required are to be sourced. For our key suppliers c70 we ask at Governance & Control meetings to attest that there are no changes to their responses and if there are any changes the supplier must notify the Bank. In addition, for new and material suppliers the Bank completes a due diligence checklist which covers regulatory requirements including anti –money laundering; anti bribery & corruption and ensuring the supplier is consistent with the Bank's values & code of conduct, including sub-contractors.
- The SPSP questionnaire covers:
 - Promoting human rights and equality
 - Promoting economic and social development in Britain
 - Protecting the environment
 - Supporting international development
 - Protecting animal welfare

[Read our full Sustainable Procurement and Supplier Policy here](#)



Sustainable procurement

Ongoing monitoring

- The Bank Supplier Management Framework (SMF) is set out to ensure that suppliers are managed to the Bank's risk appetite. This is to ensure that the Bank meets its regulatory & policy obligations. The SMF includes a RACI against the 28 key controls one of which is SPSP. Suppliers are then tracked to ensure in line with the Banks procedure requirements.
- As noted at point of on-board supplier due diligence is completed and this links to ongoing monitoring requirements to ensure supplier compliance
- The Banks is currently uplifting the due diligence questionnaire and ongoing monitoring requirements to bring together the on-board and ongoing monitoring activity together in one procedure/ standard with clear roles & responsibilities. The questionnaire identifies 9 risk domains
 - People
 - IT; Data & Cloud
 - Financial
 - Exit
 - Concentration
 - Business Continuity
 - Ethics
 - Delivery & Operational
 - Regulatory & Legal
 - Fraud, AML & Geographical location
- As part of this the Bank has set thresholds for concentration risk the key focus areas:
 - Concentration risks from multiple engagements with the same third party
 - Risk arising from third party arrangements that are difficult or impossible to substitute
 - Risk arising from multitude of arrangements in the same geographic jurisdiction or region
 - Risk of fourth party/supply chain dependencies
- Supplier compliance against the Banks SMF is tracked by Procurement and reported at the Third Party Risk Forum; escalated up to Operational, Compliance & Financial Crime Risk Oversight Committee.
- The Bank Third Party Supplier Risk Policy; Third Party Control Standard and Sustainable Procurement and Supplier Policy are reviewed annually and taken through Governance. The Banks SPSP will have a full review in Q2/3 against the ethical policy & Bank appetite; including the supporting questionnaire where impacts or changes to questions required/ supporting evidence this will feed into ongoing monitoring requirements. The updated policy will then be issued to all new suppliers; incumbent suppliers at renewal and for our key suppliers c70 immediately.

Read our full Sustainable
Procurement and Supplier Policy here



Green financing

GSS Financing Framework and Green Bond Proceed Allocations

Inaugural Green Bond Issuance

On Wednesday 30 March 2022, The Co-operative Bank Finance p.l.c. successfully priced an inaugural Green £250m 5nc4 HoldCo Senior bond at 6.000%. This transaction marked the inaugural issuance from our newly established Green, Social and Sustainability Financing Framework, published in February 2022.

Green Bond Allocation: Summary (as at 31 December 2022)

100% of the Green Bond's proceeds have been used to finance and/or refinance Eligible Green Assets that comply with the Eligibility Criteria as set out within the Bank's Framework.

Those Eligible Green Assets being UK residential mortgages which had an Energy Performance Certificate ("EPC") rating of A or B and which was valid at mortgage completion.

In March 2023 the Bank released its inaugural Allocation and Impact Report, confirming that a total of £441m of eligible green assets with a valid EPC at completion were completed in 2022, of which £318m were originated since the 6th April 2022 (the day following the settlement date of our inaugural £250m green bond) up to 31st December 2022. This represents >100% of the net proceeds from this transaction which thereby fulfils our intention to utilise at least 75% of the net proceeds of the transaction for the future origination of eligible green assets (as communicated to investors ahead of the green bond issuance).

The GSS Financing Framework stipulates Bank can select Eligible Assets originated up to 24 months prior to the respective green, social or sustainability debt issuance, therefore the Allocation and Impact Report confirms that in total, since 6th April 2020 (2yrs prior to the inaugural green bond issuance) £1.247bn of eligible green residential mortgage assets (assets which had an Energy Performance Certificate rating of A or B) have been originated up to 31st December 2022.

[Read our Green Bond Allocation
Impact Report for more information](#)



[Read our Impact Report
Second Party Opinion here](#)



Responsible asset management

Treasury implemented a counterparty V&E screen in H1 2020 to supplement the Supplier screening policy (“Sustainable Procurement Supplier Policy“ SPSP) already in situ.

The framework ensures Treasury:

- Does not execute transactions with banks controlled by oppressive government regimes
- Does not transact with counterparties that take an irresponsible Taxation approach*.
- Does not transact with counterparties with reputational concerns that conflict with the Bank’s ethical policy*.

**Unless there is an exceptional Treasury business need and this is approved by the CFO.*

Responsible Investment Policy

During 2021, Treasury introduced a ESG framework for investment made for the Bank’s liquidity portfolio. Sustainalytics ESG Risk Ratings are monitored on an on-going basis and ahead of any new investments. Entities with a High or Severe Risk Rating are excluded for front book investment. The policy is subject to annual review and approval at the Bank’s Asset & Liability Committee.

Green, Social and Sustainability Financing Framework

In March 2022, the Bank announced its introduction of a Green, Social and Sustainability Financing Framework. The Framework enables The Co-operative Bank to issue green, social and sustainability debt instruments to facilitate the funding of assets with environmental or social benefits that directly contribute to the United Nations Sustainable Development Goals (“UN SDGs”) . The Framework provides a transparent set of criteria to bring positive social benefits, transition to a low carbon economy and support our purpose to make a positive difference to the lives of its customers and communities. The Co-operative Bank will allocate the proceeds of its green, social and sustainability debt instruments to Eligible Green Assets and Eligible Social Assets (together referred to as “Eligible Assets”) as defined within the Use of Proceeds section of the Framework.

Find out more about
the framework here



Guiding customers to become sustainable

Customer initiatives

Renewable Energy Funding Scheme (REFS)

With our Renewable Energy Funding Scheme (REFS), SME customers can borrow up to 100% of the cost of investment in renewable energy technologies to help improve the sustainability and energy efficiency of their business. Examples of how this funding could be invested are:

- ✓ Relocating to energy-efficient premises
- ✓ Changing to an energy-efficient boiler
- ✓ Improving your insulation
- ✓ Introducing recycling schemes
- ✓ Investing in electric vehicles
- ✓ Installing solar power
- ✓ Changing to LED lighting
- ✓ Other renewable energy projects

REFS was launched in 2022 as is available to all our SME customers, subject to application and credit assessment.

Find out more about REFS here



Zellar



In July 2022, the Bank launched a new partnership with Zellar, a digital sustainability service which helps businesses to measure the environmental impact of their business, build action plans to improve this and access a marketplace of green services.

The Bank provides Zellar subscriptions at a discounted rate to our SME customers.

Zellar can help customers to:

- ✓ Make sustainability simple
- ✓ Accelerate net zero goals
- ✓ Save money and time
- ✓ Enhance reputation as a sustainable business
- ✓ Give a business a competitive edge
- ✓ Create a new legacy and improve community and environmental impact

In 2023 we will continue to work with Zellar to promote this service to our SME and co-operative customers to help to make an impact on their businesses, communities and environment.

Find out more about Zellar here



Green mortgage lending

In 2022, the Bank took its first step in to green mortgage lending by launching a 'green' further advance mortgage product range aimed at existing customers wanting to make energy efficient home improvements.

At the same time, the Bank partnered with the Energy Saving Trust to implement a new online, educational tool which provides information on how customers can make improvements to their home to help reduce energy bills, carbon emissions, improve their EPC rating.

Over 2023, the Bank intends to extend its green mortgage offering supporting both new and existing customers.



Find out more about our Energy Saving Home Improvement Tool here



energy saving trust



Social

How we support our colleagues and communities

Our ethical workplace and culture

Our workplace culture reflects our co-operative values and ethics.

We are committed to creating an ethical workplace by:

- As a minimum, paying our colleagues the real living wage, and not just the minimum as required by the government.
- Applying policies for reasonable adjustments, flexible working and leave options to support colleagues through difficult life changes and events.
- Recognising the right of our employees to freedom of association of association and welcoming trade union membership.
- Valuing the benefit of working closely with our trade union to ensure the voice of the colleague is heard.
- Ensuring pay and rewards for all colleagues, including executives, fair, responsible and clearly linked to achievable individual and company performance including, the creation of sustainable value for all stakeholders.
- Ensuring that executive remuneration is linked to the delivery of our environmental, social and governance commitments.
- Prioritising our colleagues mental and physical health by providing training, support and resources as well as fostering a safe environment to be open about their needs.

See our Ethical Policy
Page 14



Read our Freedom of
Association Policy



We are committed to ensuring that values and ethics are embedded in our workplace culture by:

- Ensuring that the workplace values which govern our employees behaviour are aligned with our Ethical Policy and co-operative values.
- Ensuring that all values and ethics are part of our mandatory code of conduct and that colleagues receive regular training on them.
- Regularly reviewing our policies and practices with a progressive mindset, ensuring they are underpinned by our values and ethics, and meet all legislative and regulatory requirements. Many of our policies include enhanced provisions where appropriate and are in line with our colleague focus.

We promote equality of opportunity and aim to create a culture and environment that attracts and retains a workforce that is representative of our society:

- We support our colleague-led inclusion networks, helping them to drive social and cultural change internally and externally.
- We demonstrate our commitment to being an inclusive employer through taking part in and/or communicating our commitment to local and national inclusion initiatives.
- We operate a fair recruitment process that seeks to attract candidates from diverse backgrounds as well as endeavouring to work towards selection processes free from bias.
- We will monitor and address diversity related pay gaps as appropriate.

See our Sustainability Report
2022 pages 22-23



Evidence of these commitments in action can be found in our latest Sustainability Report.

Building a high performance culture

Our stated purpose is to build a high-performing culture, underpinned by our values and ethics. Ensuring our people recognise the vital role that they play in supporting others, driving business performance and that they have a clear understanding of the impact they've made.



- **Colleague Value Proposition** – supports work-life balance, wellbeing and career development.
- Our total reward package offers an **attractive range of benefits**, time off work options and **family friendly** policies and support.



- **Recruitment - brand and V&E is our Unique Selling Point** to attract, investing in early careers, graduates, apprenticeships and internships.
- **Retention** - by providing challenging jobroles that give **opportunity to flourish**



- **High-performing workforce** – We invest in leaders to build high performing remote teams. **Focus on results and delivery**, rather than presentism.
- **Scorecards remain integral** to all we do



- **Simplification** - deliver cloud based, mobile enabled technology to **digitise people processes**.
- + Give colleagues & leaders the tools & freedom to **do the job by self-service**.

Employer accreditations

Greater Manchester Good Employment Charter

The Bank was the first Financial Services organisation to **gain membership status of the Greater Manchester Good Employment Charter**. We have achieved membership through our *'commitment to putting good employment into action and being exemplars of employment excellence, even through these challenging times.'*

The aim of the Good Employment Charter is to improve employment standards across the North West region and contribute towards a thriving and productive economy, with members like us committed to paying the real living wage, enabling flexible working and supporting the health and wellbeing of colleagues, amongst other things.

Through our membership of the Good Employment Charter, we have an opportunity to reinforce our position as a major values and ethics led employer in the North West and demonstrate our continued commitment to our colleagues, our customers and our communities.

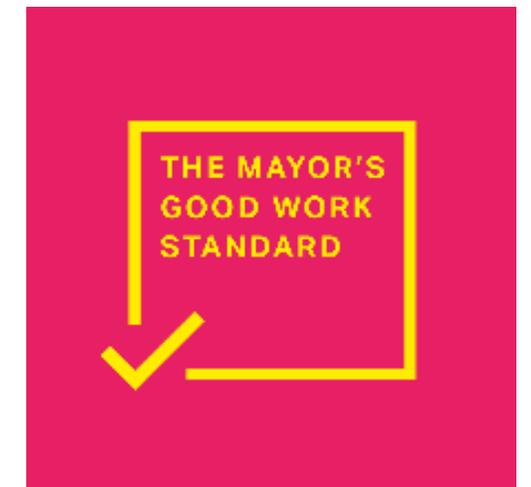
[View the list of Good Employment Charter members](#) >

London Good Work Standard

The Bank is recognised by the Mayor of London as a **Good Work Standard employer**. This recognition demonstrates our commitment to our People. It also reflects the many ways in which we are striving for the best working conditions for our employees.

[Visit the Good Work Standard website](#) >

Additional accreditations including Disability Confident Employers, HMT Women in Finance and Race at Work charter are detailed on page 39.



Health and safety

At the Co-operative Bank, we believe that excellence in the management of health and safety is an essential element within our business activities. Ensuring the health, safety and wellbeing of all colleagues, customers, contractors, visitors and others who are in any way affected by the undertakings of our Bank is more important than ever in these unprecedented times and the Board of Directors and the Executive Committee are totally committed to this aim.

From a legal perspective, we are committed to ensuring that we comply with all relevant health and safety legislation. Where it is reasonably practicable to do so, we will strive to go beyond the requirements of legislation, with the aim of achieving best practice where possible. Objectives and targets will be set and reviewed at least annually to demonstrate this intention is being strived for and achieved.

We also aim to develop a culture where continuous improvement in health and safety performance is integral to all of our commercial activities. We strive to create a working environment where accidents are not expected to occur, and where health and safety and productivity are given an equal priority.

All colleagues are reminded of their personal responsibilities in respect of health and safety to themselves and others who may be affected, and the need to co-operate with the Bank. We expect all colleagues to constructively challenge unsafe behaviours when they occur. Health and safety is regarded as an integral part of every colleague's duties. An appropriate level of resources and specialist support will be maintained to enable individuals to discharge their duties properly.

[Read our Health and Safety Statement of Intent here](#)



Health, Safety and Physical Security



This Bank's Health and Safety Policy Statement sets out the overall vision of the Bank to meet its legal obligations by:

- Ensuring appropriate health and safety advice and guidance is provided
- Providing information and training via our e learning training programme and face to face training where required
- Consulting our colleagues on matters relating to health and safety
- Ensuring appropriate workplace facilities are in place
- Providing first aid at work
- Ensuring there is an appropriate accident, incident and near miss reporting system in place
- Preparing and providing appropriate risk assessments and understanding and acting on control measures/actions which arise

Colleague learning and mandatory training

We offer a mix of on-the-job and formal training, with role-specific inductions and upskill training in our high volume areas.

Our **Bank-wide induction session** provides great networking opportunities and a chance to meet members of our executive team, as well as showcasing our history and heritage; values, behaviours and ethics; Bank strategy and scorecard; our union partners and our customer and colleague propositions.

The Bank also provides **technical training** for new and upskilling colleagues in our customer facing areas to ensure they have the right skills and knowledge to support customers and their banking needs. This is aligned to a training and competency framework to ensure that we are following regulatory and business processes and also following the principles of Treating Customer Fairly. Each induction is a minimum of 5 days and we have regular upskill activity to develop colleagues in their role.

Our **Leadership Live platform** is available to colleagues to access anytime for self directed development. This offers a multitude of training resources that are accessible by all colleagues and can be selected based on personal development wants and needs.

We have a **robust risk and mandatory training programme** that provides colleagues with core knowledge training which all colleagues must undertake. This training demonstrates to our regulators that as a business we have a robust framework and process in place that allows users to have a sufficient understanding around the financial sector we operate in and the principles that govern us. This is achieved through a curriculum of mandatory training modules that ensures our colleagues maintain a core knowledge and understanding that all colleagues must complete at the beginning of their employment and then on an annual basis thereafter or as required. There are 10 modules covering key topics from Money Laundering and Fraud to Inclusion and Diversity. Annual refresher training includes our code of conduct, which defines how we behave in line with our Ethical Policy and guiding values, how we deliver the right customer outcomes and how we comply with regulatory requirements.

Training Hours

In 2022 a total of 190,978.5 hours of training was undertaken across the Bank by colleagues. This amounts on average to 68.5 hours per colleague.

Training was across a range of areas including:

- 20% off the job training to support apprentices to get their qualifications (139 colleagues)
- Webinars on resilience, Thriving through change and gender health at work.
- Leadership development sessions
- Executive training
- Role specific customer service training
- Role specific upskilling
- Mandatory training
- Role specific mandatory training
- One best control
- Class of 2022
- Health and Safety Training
- Personal development through our online tool Leadership Live

Environmental, Social and Governance Training

Embedding knowledge across the Bank

Alongside our annual financial results, The Co-operative Bank made a series of Environmental, Social and Governance (ESG) commitments. One of our Governance targets for 2023 is to: **Ensure that all colleagues, including Board and Executive Committee Members, undertake additional training in Environmental, Social and Governance related risks.**

So far this year, the Bank has delivered on this commitment through:

- **Training of Relationship Managers**

We are continuing to invest in specialist sector knowledge and expertise, and targets are in place for training of the Bank's Relationship Managers across the UK.

- **Introductory Training for new recruits**

On recruitment to the Bank, each and every colleague receives a Welcome training session, with training on ESG, Values and Ethics.

The Bank has additional plans to deliver on this commitment through:

- **Annual training of the Board of Directors**

On an ongoing basis, the Board of Directors receive training to enhance their knowledge of specialist issues. In 2022, the Board received externally facilitated ESG and climate change training.

- **Colleague Roadshows**

As a market leader in ESG, the Bank has a team of ESG and Sustainability experts within its Values and Ethics team. Throughout the year and as we embark on our pathway to net zero, the team will look to deliver training to teams across the Bank.

Internal talent development and career progression

Succession Planning: In line with regulatory requirements we have a strong succession plan for all critical roles across the Bank, striving for at least 2 emergency successors for every position, plus colleagues identified as 0-2 and 3-5 year successors for all. We continually evaluate and refine this plan gauging colleague readiness and implementing targeted development where required to eliminate gaps.

Talent Reviews: Regular local talent reviews supported by robust performance management processes ensure we are nurturing our internal talent pipeline and supporting colleague development and retention. This process feeds into our Executive Talent review cycles to highlight any gaps in skills, knowledge or behaviours that can be supported through our internal talent and development programmes.

Leadership Development: Internally focussed and facilitated leadership development offering providing all colleagues with the opportunity to engage with personal and professional growth aiding career mobility within the Bank. Learning through live events facilitated by Senior Leader SMEs plus offline resources and content.

Growing our 2023 Leadership Pipeline: 2023 Programmes

- Our Senior Leader cohort “NexCo” is aligned to Executive succession planning with tailored personal development in place to improve succession readiness for Executive roles
- New for 2023 a structured six month internal talent programme supporting colleagues in their Band B talent moves through bespoke third party interventions, mentoring and stretch activities enabling successful transition to their new leadership roles. Initiative designed to accelerate the career growth of our internal talent pipeline whilst enhancing diversity of our leadership roles
- To enable the Bank to continue building and nurturing our talent pipeline and developing the key capabilities needed for the future, the Bank is taking a larger scale multi channel entry talent approach in 2023 enabling us to maximise attraction of high calibre talent and create different routes for graduates, students and school leavers. Our Graduate scheme continues to provide a strong pipeline of future leaders with many of our Graduate alumni occupying a number of senior leadership roles. We are broadening our offering to eight Graduate Programmes in 2023 including Digital, Retail Products, SME, Technology, Internal Audit, Banking Leadership, Finance and Risk.
- The Bank’s eight week Summer Internship Programme aimed at providing student work placements across the Bank provides a strong talent pipeline for future Graduate programmes
- In Q4 2023 we will be piloting a school leavers programme for 18+ year olds aimed at students looking for an alternative to the traditional university route. This will also support the Bank in growing talent pipelines to address in-demand technical roles and building capabilities in Technology, Digital and Data Analysis. Increasing diversity of our talent pipeline is a key driver, with particular focus on boosting social mobility

Internal talent development and career progression

New to Band B Internal Talent Programme

Internally focused six month programme supporting accelerated career mobility from Band C to Band B. Blended learning approach will support colleagues professional growth through third party tailored workshops, senior leader touchpoints, stretch assignments and mentoring.

The Bank's Entry Talent (ET) Agenda is aligned to business strategy, developing key capabilities to meet the future resourcing needs for the Bank and establish a strong talent pipeline. To support the Bank in achieving its strategic objectives we create ET pipelines through a multi-channel approach which educate, develop and support individuals to reach their potential.

Graduate Programme

Accelerated leadership and technical development programme recruiting high calibre Graduates through small targeted external attraction and robust selection process. Developing leadership skills and technical knowledge across the wider Bank whilst completing a series of rotational placements and a relevant apprenticeship qualification. Designed to support talented graduates in reaching their full potential and ensuring the Bank is in the best position to build a strong talent pipeline of future leaders in specialist areas.

Summer Internship Programme

The 8 week Summer Internship programme is designed to give students an insight into the Bank and provide them with the opportunity of building their knowledge and skill set as well as taking ownership of real work assignment and projects that contribute to the success of the Bank.

School Leavers Programme

Two or four year programmes aimed at students looking for an alternative to the traditional university route, where they can start their career and earn a qualification, salary and hands on experience, providing the tools to set them up for future success. Growing the Bank's talent pipeline will look to address in-demand technical roles and building capabilities in Technology, Digital and Data Analysis

Mentoring

The Bank offers a range of mentoring programmes for all colleagues to participate in as either mentors or mentees.

Bank wide mentoring programme: Our Bank-wide Mentoring programme offers all colleagues the opportunity to be a mentor and/or a mentee. Traditional mentoring usually involves a more senior person mentoring a more junior colleague, but we believe that anyone can be a Mentor; its just about having some experience, skills or knowledge that you can share with others to support their development.

Career Progression/Talent Development mentoring: Colleagues on our Graduate and Band B Talent Cohort programmes will be offered a mentor to support them through the duration of their programme.

External talent identification and on-boarding

Our in-house Resourcing Team provide an expert service for the identification and on-boarding of external talent into our Bank.

A key focus for the team is attracting and retaining colleagues that reflect the values and ethics which are so important to our customer base. The interaction with the resourcing team allows external talent to see our brand in action and get a real sense of our colleague value proposition.

It's vital that we are transparent with all candidates throughout the recruitment process. For each vacancy we create a tailored recruitment strategy plan which often include the use of video adverts to help provide an authentic view of the Bank and bring to life the key deliverables of each role. Hiring managers have a huge part to play and are fully supported to ensure we deliver an inclusive candidate experience.

We continually review and improve our candidate and hiring manager support packs to improve our candidate experience which has included video interviewing. It's very possible that our candidates are customers so it is imperative that they receive a great experience whether they are ultimately successful in securing the role or not.

We value the diversity of ideas that come with bringing external talent into the organisation and always looking for ways to enhance our offering. Quarterly reviews of our attraction methods, team performance and by using market insights to ensure the experience we provide is always evolving.

2023 has seen a move to implement virtual attraction methods, virtual open days through Indeed platform and the implementation of Phoenix 51 a virtual assessment platform for our Graduate campaign. This digital way of working is comparable to our competitors and improves our reach & our candidate & hiring manager journey, whilst giving us detailed data on the attraction streams that work best and reporting tools for our return on investment.

We only utilise contractors on a project basis or to fill a short term gap. We have a recruitment partner Pontoon as our MSP in place and have measures in place to comply with AWR (Agency workers rights) to ensure all contractors are paid equal to if not more than a perm equivalent. We have circa 120 contractors through Pontoon which is circa 3 % of our workforce

[Visit our Careers Portal](#)



People metrics and colleague turnover

Our Executive Team receive monthly People Packs with an overview of key People Metrics for their areas including attrition, absence, headcount and FTE flow, performance metrics, salary metrics and structural overviews. The packs also support our management of key people risks and feed into the people sections of local and Bank-level risk forums and governance committees.

A key Bank-wide focus within our people metrics and people risk management is **colleague turnover and voluntary attrition features as a measure on our Bank-wide scorecard.**

Maintaining a healthy level of colleague turnover is essential to an organisation; too little and you risk stagnating, too much and you risk losing essential knowledge and skills. At The Co-operative Bank we carefully monitor our turnover levels to ensure that we strike the right balance. We also endeavour to engage with our leavers to understand their reasons for leaving to help us shape our approach to supporting and retaining colleagues across the Bank.

Our FTE or headcount as at 31 Dec 2022 can be viewed in our annual reports and accounts:

[Read page 210 of our 2022 Annual Report and Accounts](#)



Employee Turnover

The Employee Turnover Rate assesses the Bank's retention of permanent full-time and part-time employee retention. The below table represents the proportion of avoidable and total leavers across 2021 and 2022, compared to headcount. The difference between avoidable and total leavers includes turnover due to redundancies and retirement, which has remained steady over the last two years.

Turnover	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021 - Avoidable Turnover	10.12%	9.07%	10.37%	11.11%	11.68%	12.74%	13.98%	14.53%	15.43%	15.72%	15.58%	16.02%
2021 – Overall Turnover	14.08%	17.48%	17.92%	18.23%	17.92%	18.85%	19.76%	20.17%	21.16%	21.49%	21.01%	21.54%
2022 – Avoidable Turnover	17.10%	16.53%	16.10%	15.04%	15.09%	16.11%	16.36%	16.95%	16.83%	16.28%	15.73%	15.50%
2022 – Overall Turnover	20.42%	22.67%	22.98%	22.39%	21.48%	22.79%	23.03%	23.86%	23.86%	23.16%	22.72%	21.98%

Colleague voice

Listening and acting on feedback

We're committed to listening and acting on colleagues' feedback to improve the service we provide our to customers and to ensure we have an inclusive environment that supports our colleagues. Some of the ways we achieve this include:

- **Site Leads** – In Q1 2023, to support driving positive colleague changes across key occupancy sites and our Branch Network, we have introduced Corporate Site Leads. The role of the Site Leads are to be the eyes and ears of the site they're accountable for; continuing to have regular on-site presence to gauge how colleagues are feeling and the challenges they may be facing; strengthen collaboration across teams - bringing teams together, understanding their needs, looking for improvements and driving positive change and supporting the engagement of colleagues on key strategic deliverables and campaigns taking place
- **Bi-Monthly pulse surveys:** Run via our intranet, these surveys give colleagues the opportunity to provide meaningful feedback on a regular basis and for the Bank to respond.
- **Roadshows and leader events:** Virtual roadshows and events at both a Bank-wide and local level give colleagues an open platform to hear updates from, and ask questions to, our senior leaders.
- **Team meetings and 121s:** All colleagues attend regular team meetings and 121s to discuss updates and give feedback for leaders to address.
- **Colleague Co-operative Forum:** Our network of colleague representatives work together to *'help the Bank to understand and act on colleague sentiment and feedback, and further engage and support colleagues, to evolve our ethical workplace and culture'*. These representatives lead on colleague engagement within business areas, ensuring that whilst we are all working hard we also enjoy our time at work. Our union reps also join this forum as standing invitees.
- **Colleague inclusion networks:** Run by colleagues for colleagues, all of our inclusion networks look to offer support and drive forward our inclusion and diversity strategy.
- **The Buzz** - Blogs, comments and forum posts are regularly monitored by the Internal Communications Team and intranet editors who welcome feedback and respond to it as necessary.
- **Financial Services Cultural Board (FSCB) survey:** We participated in the final FSCB survey in 2022 which provides an insight into our culture and how we compare to others in our sector. Our results demonstrate that our culture has remained stable despite a challenging year in the wider world.
- **Freedom of Association and Trades Union Recognition:** We recognise the right of our colleagues to freedom of association and we publicly share our Freedom of Association Policy on our website. We welcome colleagues to join a trade union if they wish and we work in close consultation with our recognised trade union Unite on proposals for change. We are proud to say a large proportion of colleagues at the Bank are members of Unite. We have a Recognition Agreement between Unite and the Bank detailing collective bargaining rights which cover the majority of colleagues at the Bank. We also work closely with the unite representatives at the Bank to proactively understand the interests and needs of members/colleagues.
- **Exec visits:** Exec visited major occupancy sites and branches, they held Q&A sessions and visited teams in small groups to provide colleagues with the opportunity to ask questions and raise concerns, these visits will continue this year, Bob Dench also visited sites in Q1 2023 holding Q&A sessions with colleagues at Manchester, Leek and Skem.

FSCB highlights

Maintained or improved scores across 7 of 9 characteristics with 2 dropping by only 1 point

93% of colleagues believe that colleagues act in an honest and ethical way

Ethical remains the most common word colleagues use to describe the Bank

93% of colleagues agreed that the Bank's purpose and values are meaningful to them

Colleague wellbeing

Colleague wellbeing is important to us, and our focus is supporting colleague mental health and also their physical, financial and social wellbeing.

Policies – we offer a range of policies to support colleagues during different stages in their lives, and our flexible working policy is promoted which allows colleagues to apply to work flexibly from day 1 of employment. We listen to colleagues needs and recently introduced a menopause policy & pregnancy loss policy.

Support – We offer a 24/7 EAP service to colleagues and their partners providing advice, support and counselling, Help@Hand app offers unlimited GP appointments, physio and medical 2nd opinions, in addition to one to one coaching with a Personal Trainer and Nutritionist. Wellbeing webinars are offered to colleagues on a range of wellbeing topics including resilience, financial wellbeing, sleep, neurodiversity

Mental Health is a continuous focus as we encourage colleagues to talk about their feelings and we have Mental Health First Aiders to signpost colleagues to professional support. Mental Health related webinars are available for colleagues which include resilience, thriving through change and stress management.

Listening to colleagues – We regularly monitor colleague wellbeing through our bi-monthly pulse surveys. We actively promote wellbeing discussions to be part of regular 121's, providing training and guidance to leaders for effective wellbeing discussions.

Financial Wellbeing – We continually review our reward package and how we can mitigate the impacts on colleague wellbeing, and recently provided colleagues cost of living payments and a salary increase. This is in addition to the introduction of salary advances and our commitment as a Real Living Wage Employer. We offer all colleagues an income protection sickness scheme, a colleague retail discount platform and free sanitary products are being introduced at our main sites.

Training and Development – We have an extensive learning offering to support colleagues development, including a leadership development programme and a mentoring scheme.

Our inclusion networks – Our networks, specifically our Access network spotlights a range of wellbeing topics, raising awareness and providing advice with colleagues sharing personal experiences and stories to help other colleagues

Communications – We communicate regularly about Wellbeing with monthly wellbeing blogs, providing guidance and reminding colleagues of available support. Colleagues can access resources on our Wellbeing intranet site. We regularly encourage colleagues to talk about their mental health is advocated by our Executive through regular communications.

Volunteering – we offer colleagues 2 days volunteering per year to improve social wellbeing in the community.

Unite the Union at The Co-operative Bank

Visit the Unite the Union website



Statement from our Union

"With a long history in the co-operative and labour movements and with our commitment to the principles and ethics of co-operative business, Unite the Union has been long welcomed into The Co-operative Bank as a key stakeholder. The Ethical Workplace and Culture Section of the Bank's Ethical Policy has been developed with Unite to reflect the ambition of the business to be the best employer that it can be, and to ensure that its employment policies and practices are intended to reflect that ambition.

Unite believes all aspects of working life should be the subject of discussion and agreement. We meet regularly with senior management, including the CEO, to consult and negotiate on a wide range of issues and policies, and to discuss matters of concern. On a daily basis we work closely with the HR Advisers and Business Partners our members are treated fairly and properly whilst at work, and to get the best possible outcomes for them.

The relationship between Unite and the Bank is regulated by a Recognition and Facilities Agreement. This sets out how both parties will operate in relation to each other, what each will provide and what each can expect. The agreement provides for the presence of union reps in the workplace, and for two senior full time reps, who are on hand to deal with more serious and involved issues.

Unite provides confidential assistance, advice and representation for members in formal meetings such as disciplinary, sickness absence, performance, grievance and appeals. All our reps receive a range of training from Unite and the senior reps also have a Diploma in Employment Law. Whilst we do have disagreements with the business on occasion, and we don't shy away from that, we're here to sort out problems, find solutions, enforce members rights, and ultimately make the Bank the best employer it can be.

Every year the union reps work on behalf of members on the annual pay negotiations. From start to finish, a full pay negotiation cycle takes approximately six months. We survey members to find out what they want, we research other pay deals across the finance sector and look at any terms and conditions changes that may need to be tabled. We then draft and agree a pay claim and request a range of data from HR so that we can assess the impact of any claim. Pay negotiations normally start once we have submitted a claim, and when they have reached a conclusion we hold a full reps meeting to decide on a recommendation. A ballot of members is then organised.

Of course, no business is static. Organisations change and evolve, and to facilitate that Unite and the Bank have negotiated an Organisation Change Agreement which lays out how changes affecting staff will be undertaken, including restructuring, redundancy terms, etc. Unite is always consulted in advance on restructures and reorganisations, so that we have a chance to understand the changes and challenge them where necessary. We then support members who are impacted, ensuring processes are followed properly, challenges investigated and redeployments offered where possible. Essentially, we do everything we can to make the process as pain free as possible for our members".

Union membership

- 100 % of eligible colleagues are covered by collective bargaining agreements*.
- Membership of Unite at the Bank is 48 %, calculated by the number of members as a % of the Bank's eligible colleague population.

Read our Freedom of Association Policy



*All Grade B, C and D colleagues are eligible. Colleague Grades range from Executive Grade through to Grade A, Grade B, Grade C and Grade D, in descending order of seniority.

Diversity, Equity and Inclusion

We are proud of our diverse colleague community and proud of our workplace culture where you are encouraged to bring your whole self to work. This tone comes from the top with our Executive Leaders committing to sponsoring our colleague networks; our Board Diversity Policy; and the key role played by our Board level Values and Ethics committee. Our SMF responsibilities map sets out that CEO, Nick Slape has overall accountability for overseeing the adoption of the Bank's culture in the day-to-day management of the Bank and Chairman, Bob Dench has the responsibility for leading the development of the firm's culture by the governing body as a whole.

Our inclusion commitments include an absolute focus on equality for all, regardless of personal demographics. We are a Disability Confident certified employer and our HMT Women in Finance and Race at Work Charter commitments underpin our gender and ethnicity focus. Our HMT Women in Finance commitments continue to feature on our Bank-wide scorecard. In 2022, we began publishing our Gender and Ethnicity Pay Gap in our annual Pay Gap Report.

We have five colleague inclusion networks, run by colleagues for colleagues, each sponsored by an Executive member, who help to drive forward our inclusion and diversity strategy. Our inclusion networks include Elevate (Gender Equality Network); REACH (Race, Ethnicity and Cultural Heritage Network); Access (for support with physical and mental health and caring responsibilities); Proud Together (LGBTQ+) and Futures (Early Careers Network). We also have a Digital Bees network, who organise colleagues to support digital and financial inclusion in their local areas, primarily working with Manchester and Salford City Councils.

We also run annual mandatory inclusion and diversity training to support an inclusive work environment that engages the talents, beliefs, backgrounds, capabilities and ways of working of unique individuals, creating a culture of belonging in which people are valued and respected.

Our commitment to the values and ethics of the co-operative movement continues to be demonstrated in our inclusion and diversity strategy, which includes a strong focus on:

- Increasing the number of women in senior roles at The Co-operative Bank
- Increasing the number of women in historically male dominated areas
- Building an even gender balance across all levels of the organisation
- Building an ethnicity balance which is representative of the UK population across all levels of our organisation
- Overall building a more diverse workforce which reflects the diverse society we operate within.

[Read our 2022 Women in Finance Charter and Pay Gap Report here](#) >



Diversity, Equity and Inclusion

The Halo Code

In January 2021 we became the first Bank to adopt the Halo Code, the UK's first Black hair code and we continue to support this initiative.

Under the code, we affirm that:

- Our workplace champions the right of staff to embrace all Afro-hairstyles. We acknowledge that Afro-textured hair is an important part of our Black employees' racial, ethnic, cultural, and religious identities, and requires specific styling for hair health and maintenance.
- We celebrate Afro-textured hair worn in all styles including, but not limited to, afros, locs, twists, braids, cornrows, fades, hair straightened through the application of heat or chemicals, weaves, wigs, headscarves, and wraps.
- We recognise and celebrate our colleagues' identities. We are a community built on an ethos of equality and respect where hair texture and style have no bearing on an employees' ability to succeed.

In 2022, the Chair of our Race, Ethnicity and Culture Heritage Network joined a panel to discuss how we have implemented the Halo Code at The Co-operative Bank.

[Read more about the Halo Code](#)



Gender and trans-inclusive workplace

Good employers will understand that it's important to ensure all employees feel welcome, respected, and represented at work. However, more than a third of LGBTQ+ staff have hidden their sexuality or gender identity at work for fear of discrimination. In 2022, we took part in Greater Manchester's Good Employment Chatter Podcast to talk about how we create a trans-inclusive workplace.

[Listen to the Podcast episode here](#)

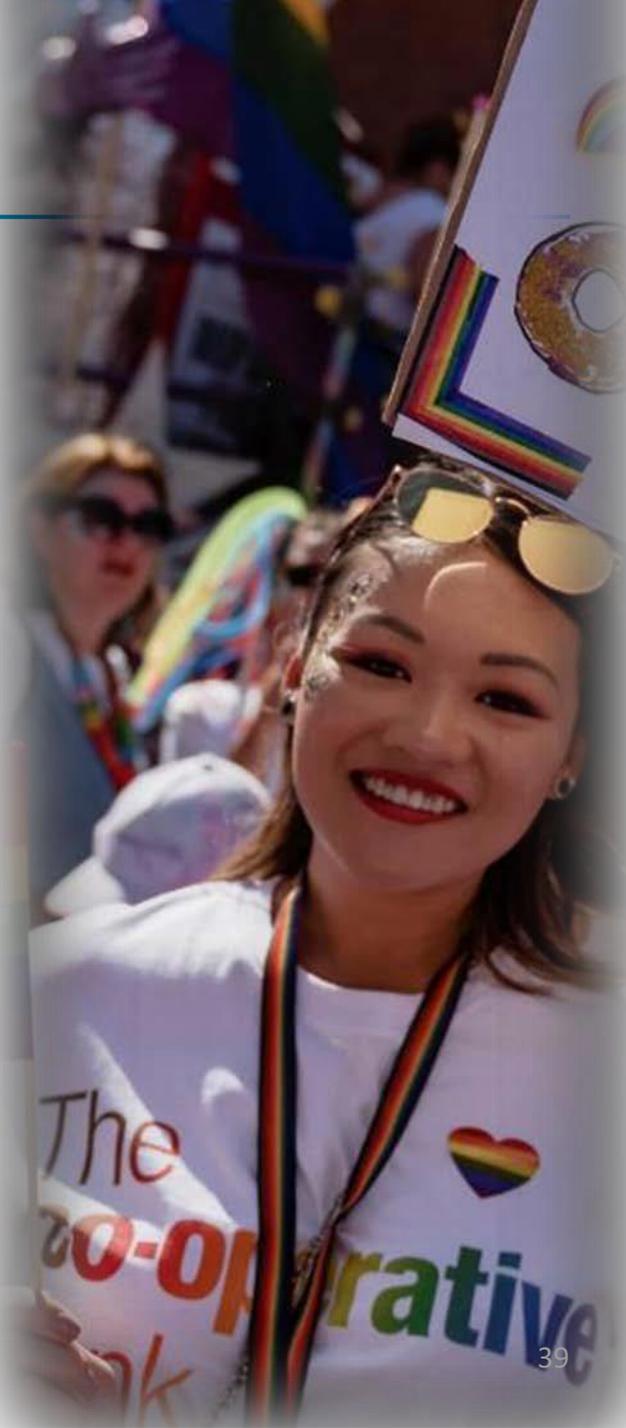


Diversity, Equity and Inclusion

In 2022 – a look back on some of our activity

- In March 2021 following completion of our disability confident self assessment, we were once again recognised as a Disability Confident Employer for a 3 year period
- Our inclusion networks hosted a wide variety of events including career inspiration sessions with senior leaders and senior Women in Tech including our first female Chief Technology Officer; our Chief Financial Officer and our Chief Operating Officer, inspiring all colleagues in the business to aim high with their career prospects.
- We held events with external speakers, with our charity partner Refuge talking to colleagues about domestic, economic and tech abuse, signposting colleagues to support.
- We sponsored Manchester Pride, demonstrating our support for colleagues and customers who are part of the LGBTQ+ community, and supported colleagues in our branch network to take part in their local pride celebrations
- To celebrate National Inclusion Week towards the end of last year, the networks hosted an event with an Executive panel questioning and deliberating on the current D&I agenda,. The event was hosted by one of the Bank's Non-Executive Directors, demonstrating how embedded diversity and inclusion is within the Bank's governance.
- In 2022, one colleague inclusion network launched an initiative to train several colleagues to become mental health first aiders, becoming the first port of call for colleagues experiencing mental ill health.
- The Bank's Pregnancy Loss Policy – launched in 2022, the policy entitles all colleagues who experience pregnancy loss to a minimum of five days paid leave.
- The Bank's Menopause Policy – introduced in 2021, the policy encourages open and honest discussions about the menopause and empowers colleagues to seek. Colleagues can also access a safe space on the intranet to share tips on coping with the Menopause at work.

Read more about our Diversity, Equity and Inclusion in our Sustainability Report, p 22



Diversity, Equity and Inclusion

Our Diversity and Inclusion Policy

The concept of diversity encompasses acceptance and respect. It means understanding that each individual is unique, and recognising our individual differences. These differences include, but are not limited to gender, pregnancy and maternity, ethnicity, culture, age, physical and mental ability, sexual orientation, gender identity, religion or belief, marital and civil partnership status, education and those with a caring responsibility.

We recognise the importance that equality legislation has to play in promoting equality and eliminating unlawful discrimination, but seek to exceed our legal obligations and to provide an inclusive environment for all.

We understand that simply having diversity in our work force is not enough; we must create an inclusive environment where all people can contribute their best work.

Inclusion is engaging the uniqueness and talents, beliefs, backgrounds, capabilities and ways of working of individuals, joined in a common endeavour, to create a culture of belonging, in which people are valued and respected.

By embracing employee inclusion and diversity, we mean that talent, contribution, commitment are key to achieving our aims, and we know we can draw on the best of these from all backgrounds.

Read more about how we champion
Diversity and Equality at The Co-operative
Bank in our Sustainability Report, p 22 >

Therefore:

- We promote equality of opportunity and aim to create a workforce that is representative of our society, knowing that embracing difference enhances the capability of the Co-operative Bank.
- We value our people for their contribution and will celebrate diversity in all aspects of our business.
- We will seek to create a genuinely inclusive workspace, which embraces similarities and differences at the individual, and group levels for the attainment of the common endeavour.
- We will not tolerate bullying and harassment in any form. In addition, we will endeavour to protect our employees from any form of 3rd party harassment, and from adverse treatment because of association or perception related to one of the attributes above.
- We recognise the need to support the unique and diverse needs of our customer and community base and will work to ensure that we exceed their expectations of us.
- We expect our suppliers and partners to actively support us in achieving a diverse and inclusive culture and to be able to demonstrate this.

The above is an excerpt of our internal Diversity and Inclusion Policy, available to our colleagues on our intranet site.

Prevention of bullying, harassment, victimisation and discrimination

The Bank's policies and approach are designed to develop a work environment in which bullying, harassment, discrimination, victimisation and feeling isolated are unacceptable, and where colleagues have the confidence to challenge inappropriate behaviour without fear of reprisal. Equality of opportunity regardless of personal demographics and fostering a culture of inclusivity is integral to our Brand. The Bank has a zero tolerance against discrimination, victimisation, harassment and bullying.

The Bank's Bullying & Harassment policy and annual mandatory training for all colleagues on Inclusion and Diversity ~~which~~ seeks to help colleagues understand inclusion and diversity and why it is important; the Bank's zero tolerance approach to harassment, bullying, discrimination and victimisation; as well as how to practice everyday inclusion and how to call out unacceptable behaviour when colleagues see it.

Where it is found that bullying, harassment, discrimination or victimisation has occurred, action will be taken in line with our Disciplinary Policy.

The Bank has provided bullying and harassment training for some leaders with plans to consider additional training to ensure appropriate action is taken when issues are raised by colleagues.

[Read our Bullying and Harassment Policy](#)



Rewarding and recognising colleagues

Salary and Bonus

As a Real Living Wage employer, we're proud to be one of almost 12,000 UK businesses signed up to the voluntary agreement, who believe colleagues deserve a fair day's pay. It's one of the ways we live up to our ethical workplace commitments.

Visit the Real Living Wage Website



Our competitive total reward offering includes market based pay, excellent pension and car allowance (depending on grade). All colleagues also have the opportunity to take part in our bonus scheme, subject to the scheme rules applicable to a particular year.

Alongside this we run optional payroll giving schemes; one of which (Pennies from Heaven) enables you to round down your pay to the nearest pound and donate the surplus pennies to our charity partner Centrepoin. Working together co-operatively we really can and do make a real difference.

Find out more about our membership of Pennies from Heaven



Pension and Insurance

We offer:

- **A defined contribution pension scheme:** The Bank contributes up to 10%.
- **Paid pre-retirement leave:** If colleagues retire at 55 years or over, they can take up to six days paid pre-retirement leave.
- **Life assurance:** In the event of a colleague's death, named dependents will receive three times salary if they are in the pension scheme; one time salary if they are not.
- **Income protection:** Provides benefits should colleagues be incapacitated and unable to carry out their role due to ill health.
- **Personal accident insurance:** Offers peace of mind in the unlikely event of a serious accident whilst at work or on company business.
- **Health care benefit:** Our business funded health care benefit gives eligible colleagues access to specialist care for acute medical conditions.

Rewarding and recognising colleagues

Leave Policies

Taking holidays is important to ensure a good work-life balance as well as supporting good mental and physical health and wellbeing. That's why our colleagues are entitled to:

- **27 days paid annual leave** (plus eight bank holidays, so 35 days). This rises to **30 days paid** annual leave (plus eight bank holidays, so 38 days) in the third year of service with us.
- **Buy additional holidays** during a November holiday buying window for the following holiday year.
- **Two paid volunteer days per year** for the opportunity to make a valuable contribution to local communities.
- **Extended leave** enables colleagues to take a mini unpaid career breaks of up to four weeks, or a full career break of between three months and one year unpaid.
- **Emergency leave** allows colleagues to take time off to deal with an immediate emergency; with half the time off paid and the other half is unpaid.
- **Compassionate leave** provides colleagues with paid time off when they suffer the loss or there is a serious illness of a dependant or close family member.
- **Pregnancy loss leave** provides colleagues (and a partner) impacted by pregnancy loss up to 5 days paid leave.

Family Support

We support flexible working arrangements to help maintain a healthy balance between career and home life. This includes working part time, reduced hours, job sharing, having different start and finishing hours and working from home. In addition, we offer colleagues:

- **Expecting or adopting:** Primary carers 16 weeks paid leave (maternity and adoption leave) and secondary carers four weeks paid leave (paternity leave).
- **Fostering:** Five days paid leave to undertake foster carer training.
- **Participating in fertility or IVF treatment:** Up to three occasions of five days paid leave in a 12 month period to support time off to undergo treatment for IVF or fertility.
- **Shared parental leave:** Up to 16 weeks paid leave shared between parents.
- **Parental mentoring scheme:** To support working parents no matter what stage of the journey they are on.

Rewarding and recognising colleagues

Total reward statements

We provide each colleague with a Total Reward Statement to help more fully understand the total values of their total reward and benefits package at the Bank. The statements provide colleagues with the key aspects of the Bank's reward and benefits that have a tangible value attached to them. In addition our Colleague Value Proposition booklet helps colleagues to understand the less tangible aspects of the Bank's reward and benefits package.

Additional Support

As well as the support of our leaders and inclusion and diversity networks, colleagues also have access to:

- **An employee assistance programme (EAP):** Colleagues can access our EAP 24 hours a day, 365 days a year and talk in confidence to qualified advisers who are trained to help. Colleagues can also access resources and support via the EAP app.
- **Help@Hand app:** Access to remote GP services, mental health and physiotherapy consultations and a medical second opinion service, for colleagues and their families.
- **My Reward discounts:** Our My Reward website and app offers discounts on a range of retailers and services, UK-wide.
- **Cycle to Work scheme:** Colleagues who cycle to work can hire a new bike and equipment up to the value of £1,000 that can be repaid through their salary.
- **Eye care vouchers:** For colleagues regularly using Display Screen Equipment (DSE), we offer a voucher for a full eye examination every 2 years and payment for glasses if they are solely required for VDU use.
- **Season ticket loans:** We recognise the cost associated with travelling to and from work. Season Ticket Loans for the purchase of season tickets (from any travel company) for travel to and from work and employee discounts with Metrolink, Stagecoach and First Travel are made available to our colleagues to help with public transport costs. These interest free loans are recouped via pay and can be repaid over 6 or 12 pay periods.
- **Public Service Duty Leave:** we recognise the efforts of colleagues in their involvement with public duties, by providing time off work to undertake these duties. This includes paid time off for Jury Duty and two weeks paid leave of absence (pro rata for part time employees) for Military Reservists to attend annual camp, or for other authorised Military use.

Rewarding and recognising colleagues

Colleague recognition scheme

Colleague recognition schemes

Our Ethical Policy sets out our commitment to support and recognise our colleagues. We do this in a number of ways including, Bank-wide, through our STAR Awards.

Our STAR (Spotlighting Talent and Recognition) Awards give us the opportunity to recognise colleagues who consistently demonstrate our co-operative values and go above and beyond. Nominated by colleagues, award winners are chosen from every business area, every month and every quarter, with gifts and an annual awards event to recognise the winners.

We also set aside at least one Recognition Day a year to reflect on achievements and thank our colleagues for their commitment to our customers and each other.

Many colleagues have worked with us for many years and we have a loyalty scheme to thank them for their long service, recognising 25, 30 and 40 year service anniversaries.

Organisational Change

When managing change in the Bank, we do so in line with the Bank's values, policies and processes to ensure that colleagues are managed fairly and consistently. The Bank will consider appropriate steps to avoid redundancies, wherever possible. Where redundancies are an inevitable outcome, the Bank commits to consider ways to keep redundancies to a minimum, for example reduction in overtime, review of contractors and agency workers, redeployment, review of existing vacancies, consideration of changes in working hours/shift patterns. The appropriateness of these options in any particular situation will be discussed as part of the consultation process.

Consulting for change

The "Organisational Change Agreement" is an agreement between the Co-operative Bank and Unite the Union (the Bank's recognised union). It outlines the key principles agreed between the Bank and the union to effectively manage change (including relocation, restructuring, reductions in headcount, redundancy), aiming to ensure that the Bank meets its legal obligations and that colleagues are managed fairly and consistently throughout the process.

Key to the agreement and consultation process are:

- Early information sharing with the union and colleagues
- Formal consultation periods with the union and impacted colleagues
- Appeals procedure
- Colleague support and outplacement
- Enhanced severance terms.

Notice periods from the Bank to colleagues start at 4 weeks from day one of employment increasing to 12 weeks based on years' of service.

Severance Terms

In the event of redundancy taking effect, enhanced severance payments are made to colleagues. Where a colleague has at least 12 months' service will be entitled to a payment of 5 weeks pay. Severance payments increase with service up to a maximum payment of 52 weeks. The enhanced severance includes any entitlement to a statutory redundancy payment.

Redeployment and Outplacement Support

When a colleague is served with notice, the Bank will provide them with outplacement support via a third party provider.

Penna is the Bank's current outplacement provider. They provide CV advice, interview guidance and tools and techniques for job searching to help individuals identify and secure their next career move.

We will also support colleagues to seek redeployment in the Bank through our Careers Website. Colleagues at risk of redundancy are supported through the recruitment process.

Colleagues will be provided with reasonable time off (paid) to attend any outplacement support session and for internal/external employment interviews.

Wellbeing Support

An employee assistance programme is available 24 hours a day to provide advice on a range of topics including resilience, change and money. Colleagues can also access resources and support via app and website which offers a Financial Wellbeing toolkit with guidance and podcasts covering topics such as budgeting, debt and stress.

Help@Hand app: Access to a remote GP service, mental health support consultations, physiotherapy consultations for colleagues and their families.

Our Values and Ethics in action

Supporting our charity partners

Donating over £1.5million to our Everyday Rewards charity partners

Our Everyday Rewards proposition gives eligible current account customers the option to donate their monthly rewards to one of five charities. Thanks to the generosity of these customers **£151,659** was donated to these charities in 2022.

Find out more about our
Everyday Rewards Product [here](#)



Our Values and Ethics in action

Supporting our charity partners

The Co-operative Bank, our colleagues and customers are committed to driving social change in line with our values and ethics. We do this by:

- Supporting UK co-operatives by funding The Hive, a business development programme for co-operatives, and by providing free banking services for UK co-operatives.
- Supporting the third sector by providing free banking to charities, social enterprises and credit unions.
- Working to end youth homelessness through our partnership with Centrepoin.
- Supporting survivors of economic abuse and driving positive change for victims within the financial services industry in partnership with Refuge.
- Defending human rights in partnership with Amnesty International UK
- Supporting our colleagues' volunteering and fundraising activities through our employer supported volunteering programme and match-funding programme. All colleagues are afforded two working days per year to volunteer in their communities.
- Ensuring access to basic bank accounts for under-served members of the community, including prisoner bank accounts and facilitating access to banking for homeless people
- Supporting our partner – Zero Hour – in promoting the Climate and Ecology Bill
- Galvanising support from our colleagues and customers for Disasters Emergency Committee Emergency Appeals

Find out more in our
Sustainability Report



We campaign for social and economic change in line with our values and ethics.

The Co-operative Bank believes that operating with values and ethics must go beyond simply ensuring we are ethical in how we behave as a business. We also have a duty to use our voice to stand up for causes in line with our values and ethics.

We commit to campaigns based on the following principles:

- The causes we support must be in line with our values and ethics.
- The causes we support must be strengthened by the expertise we can bring as a bank.
- The causes we support must be underserved and represent genuine needs that others have neglected and where our support can therefore make a major impact.
- The impact we can make will be more powerful if we focus our resources rather than backing multiplicity.
- The causes we support will be politically neutral.

Our Values and Ethics in action

Supporting our charity partners

Working in partnership to end youth homelessness with Centrepoin

Young people can face huge barriers to independence, especially when they don't have a support network to fall back on. We're working with Centrepoin with their mission to end youth homelessness by 2037.

We make a donation to Centrepoin for every new mortgage we provide. Combined with other fundraising, **we have raised over £2 million for Centrepoin** since the start of our partnership in April 2017.

Find out more in our
Sustainability Report, p.24



"The support and engagement over the past 6 years has been incredible and this year we have had some very important milestones. With the bank's support, we reopened our Oldham Street service in Manchester in a refurbished building that would enable us to support around 2,000 young people annually, and we have added two new Co-operative Bank funded roles in our Homelessness Prevention team.

We believe it is possible to end youth homelessness, but we know we cannot do it on our own. It is exciting and hugely encouraging, to have The Co-operative Bank and its customers walking alongside us in this laudable endeavour and I look forward very much to what the next chapter in our partnership has in store."

Seyi ObakinOBE,
Chief Executive, Centrepoin



Our Values and Ethics in action

Supporting our charity partners

Supporting survivors of economic and domestic abuse with Refuge

We have partnered and campaigned with national domestic abuse charity, **Refuge** since 2015. Our work with Refuge led to **the launch of an industry-wide Financial Abuse Code of Practice in 2018**, which aims to provide survivors of economic abuse with better and more consistent support from across the banking and financial sector. To date, 19 banks and building societies have signed up to the initiative.

Our ongoing work with Refuge challenges the financial industry to update the support and protection they offer to survivors of economic abuse.

Find out more in our
Sustainability Report, p.25



"Refuge is proud to have a long-term partnership with The Co-operative Bank, who have helped us to raise awareness and understanding of economic abuse and the impact it can have on survivors."

In the last year The Co-operative Bank, alongside Refuge, co-chaired the Online Banking Commission which connected representatives from the banking and financial sector with survivors and domestic abuse organisations to review the impact of online banking and produce recommendations for change.

We were pleased that so many banks supported our recommendations to have an online tool on their websites where survivors can contact their bank for support if they are experiencing economic abuse. Through our partnership with The Co-operative Bank, we have been able to help educate and inform the banking and financial sector, who have committed to raising awareness about the ways in which technology is misused by perpetrators and ensure online banking tools are designed with women's safety in mind.

Alongside this, The Co-operative Bank's tireless fundraising has continued to support our specialist life-changing and life-saving services, ensuring we are able to support survivors of domestic abuse.."

Ruth Davison
Chief Executive, Refuge



Our Values and Ethics in action

Supporting our charity partners

Standing up for human rights with Amnesty International UK

Our long-standing partnership with Amnesty International UK (AIUK) reflects our commitment to promote human rights and equality around the world.

We continue to support Amnesty International's annual letter-writing campaign, **Write for Rights**, annually in December, promoting the campaign to colleagues and customers, who joined us in sending messages of support to tackle human rights injustice across the world.

This year we will be supporting Team Amnesty, a group of passionate activists taking part in fundraising events across the UK.

Find out more in our
Sustainability Report, p.26



“Last year was a testing one for human rights. Conflicts, crises and emergencies broke out across a world still reeling from the pandemic, further intensifying inequality and injustice. The war in Ukraine was a major focus for Amnesty in 2022. With support from partners such as The Co-operative Bank we documented human rights violations and the spiralling humanitarian situation, and launched an urgent response to support refugees fleeing the country.”

The collaboration of our partnership with The Co-operative Bank bears powerful testimony to the values we share as organisations, and throughout 2022 we strengthened our long-standing partnership even further in the cause of human rights. Together, we have shown that even in the bleakest of times, when the very concept of humanity seems distant, it is better to light a candle than curse the darkness.”

Sacha Deshmukh,
CEO, Amnesty International UK



Our Values and Ethics in action

A history of our Ethical campaigning

1992: First Customer Led Ethical Policy
Oppressive Regimes



<https://youtu.be/6HCeJJA0jnY>
<https://youtu.be/YBZ34iQM3-Y>

1995: Fairtrade vending machines
in head office buildings



<https://youtu.be/PyTNN3bN23g>

1996: Landmine Advert



<https://youtu.be/J3xdq5miyfE>

1997: Wanker Advert
about disability rights



<https://youtu.be/6IJZ2PyxTKA>

1998: Ethical Policy



1998: Ethical Policy updated to
withdraw finance from any
business whose core activity
contributed to fossil fuel
extraction

2002: Cluster Munitions
Campaign



Edinburgh Co-op Bank dates to care
and shows strength of brand

2003: Opposing Anti-gay
hatespeech



2003:

OPPOSING ANTI-GAY
HATE SPEECH

2007: "Burma – We're
still watching" campaign



2008: Campaign to stop
Tar Sands



2016: My money, my
Life



<https://youtu.be/1opXSBiGDn8>

2019: Guardian advert against
fossil fuel funding



Guardian drops out from
fossil fuel companies

Your money
powers climate
change. How do you
use it?

2019: Manchester Pride
Sponsor



Colleagues are standing
together to put our
values into action

Manchester Pride Facebook
Album

2019: Climate Strike



Climate Strike Facebook Post

2019: Amnesty International
Write for Rights campaign



Write for Rights Facebook Post

2022: Withdraw from This
Campaign



<https://www.youtube.com/watch>

Pictured in situ in the Guardian Newspaper

Our Values and Ethics in Action

Ethical campaigning

Supporting the Zero Hour Campaign

Being able to use our voice, and the voices of our customers, colleagues, and partners, to make a positive impact on the world is a privilege that we don't take lightly. We're committed to doing our bit to drive the action we need from other banks, the business community and from the Government to protect our planet. That's why we're proud to be an ambassador of Zero Hour, the campaign for the Climate and Ecology Bill.

On 21 October 2021, ahead of the COP26 summit in Glasgow, our CEO, Nick Slape, joined environmentalists, climate and ecological scientists and MPs to present an open letter addressed to the UK Prime Minister, Boris Johnson at 10 Downing Street. This letter called on the UK Government to take decisive action and push for three key outcomes from the COP26 Summit.

As ambassadors for the Zero Hour campaign for the CE Bill, we were proud to co-host a parliamentary reception in the House of Lords in October 2022, 'Championing environmental action: Standing with leaders of ethical business'. The event called on businesses, banks and parliamentarians to join the campaign and play their part in protecting biodiversity and the environment.



ZERO HOUR

Find out more in our
Sustainability Report, p.19



Our Values and Ethics in action

Ethical Screening

We do not provide banking services to businesses and organisations that conflict with our Ethical Policy.

We implement a robust screening process to ensure that every new application for business banking services is screened against our customer-led Ethical Policy.

Customers who bank with us want to understand how their money will be used. Our customers' money will not be put to use in a way that conflicts with our values and ethics.

They also want to know that we strive to provide banking services to businesses and organisations that share our values and ethics. Support will be given to such organisations provided they meet criteria regarding risk and return.

In 2022, we released an updated version of our Ethical Policy, informed by current views of our customers. We strengthened our commitments under new pillars of **People, Planet and Community** and updated our screening guidelines, building on our historic list of reasons why we would not provide banking services to businesses or organisations.

Our new commitments mean that we now screen businesses against:

- Participation in deep sea mining
 - Degrading irrecoverable carbon stores in peatlands and forestlands
 - Exploration for fossil fuels
 - Activities that use exotic or specialty leather
- as just a few examples.

[Read our full updated Ethical Policy here](#)



Our Values and Ethics in action

Ethical products and services

Our commitment to UK co-operatives

We support the UK's co-operative sector by offering free business banking to co-operative businesses through our Community Direct Plus Current Account. This account remains one of the most generous community free banking products available to UK community organisations

[Find out more about our Community Directplus Account here](#)

Business Support programme for co-operatives

We've also provided £2.1m of funding to Co-ops UK for the provision of a range of support packages and information to help new and existing co-operatives. This unique support package has previously been referred to as The Hive, and has been rebranded in 2023 to broaden the reach and range of support services on offer. This unique business support programme created by Co-operatives UK in partnership with The Co-operative Bank, gives co-operative businesses from all sectors of the economy access to the expert advice and guidance they need to thrive. Since the start of the programme to the end of 2022, 1,786 groups had benefited from technical advice, peer mentoring, training and introductory workshops.

[Find out more about the Business Support programme for co-operatives](#)



Customer Donation Fund

All of the Bank's Community Directplus account holders can apply for up to £1,000 from the Customer Donation Fund to support special projects and fundraising activities. Over £1 million has been donated through the Fund to over 1,100 local causes since it was launched in 2003. The projects that we have supported span across the whole of the UK and make a positive difference to their local communities. From supporting positive mental health, to collecting surplus food and delivering it to the most vulnerable, to supporting disabled children to build their confidence, to equipping young people with the skills they need for a better digital future, the Fund ensures that our community banking proposition makes a difference to local communities.

[Find out more about our Customer Donation Fund here](#)

Charity and Co-operative Lending Fund

The Co-operative Bank has committed to providing £25m of loan funding to help charities, co-operatives and social enterprises grow and invest in their organisations throughout 2023. The fund offers a range of options to help organisations achieve their objectives now and into the future.

[Find out more about our Community Directplus Account here](#)

Our Values and Ethics in action

Ethical products and services

We take an ethical approach to Banking and are the only high street bank in the UK with a customer-led ethical policy. We offer a range of products and services.

Personal Banking

- **Cash-minder accounts** - We offer a basic bank account to support people who may not qualify for a standard Bank account ensuring everyone has access to banking.
- **Student accounts** - Our student account offers an interest free overdraft limit.
- **Everyday Rewards** - Our Everyday reward current account rewards customers up to £2.20 each month for banking with us. Customers can choose if this money is paid into their account or donated to one of five leading UK charities through our Everyday Rewards Current Account. Since 2016 our customers have donated over £1m to our Everyday Rewards charities.
- **Prisoner accounts** - We offer a basic bank account to prisoners close to their release date. This supports in helping ex prisoners get access to employment, housing and improving their overall self esteem.
- **Mortgage Applications** - For every new mortgage or product switch application completed, we donate £5 to youth homelessness charity Centrepoin.
- **Children's Savings** - We offer a Future Fund account for children under 18. Children between the ages of 7-18 can solely operate this account.
- **Green Further Advances** – Existing customers of the Bank can now apply for one of our Green Additional Borrowing products to help home energy efficiency.

Business Banking

We provide practical support by offering banking services (and helpful funding) to support co-operatives, community businesses and charities.

- **Community Directplus** - An account that gives registered charities, community interest companies and credit unions an ethical way to bank
- **Customer Donation Fund** - For every £100 increase across collective balances held in Community Directplus accounts the Bank adds 20p to the Customer Donation Fund, with a minimum of £5000 being awarded twice a year. These donations go towards supporting community organisation and community projects. During the pandemic we awarded all applications for the fund to ensure we could help communities at a grass roots level.
- **The Hive** - We've committed £2.1 million of funding to support growth in the co-operative sector since our partnership began in 2016. This investment has helped hundreds of co-operatives and groups with expert business advice, workshops, training and mentoring.
- **The Renewable Energy Funding Scheme** – a loan scheme specifically created to help business customers to reduce their carbon footprint, minimise energy consumption and enhance green credentials to help businesses achieve their Sustainability and ESG goals.

Our Values and Ethics in action

Ethical products and services

We take an ethical approach to Banking and are the only high street bank in the UK with a customer-led ethical policy.

Our credit and debitcards

In line with our Ethical Policy statement against the release of chemicals that persist in the environment, we continue to issue PVC-free credit and debit cards and have been doing so since 2007. In its place we use the plastic glycol-modified polyethylene terephthalate (PETG), which does not contain or use chlorine in its production. Furthermore, all the inks we use in our customer mailings are chlorine-free, and either water or vegetable based.

Awards

- Moneyfacts Best Current Account Provider (2020).
- Moneyfacts Branch Network of the Year (2022 for the fifth year running)
- Business Moneyfacts Awards Best Charity Banking Provider (2022 for the seventh year running)

Visit our website to find out more about our products



Our Values and Ethics in action

Driving fair customer outcomes

As one of our commitments in treating customers fairly, we're signed up to the Lending Standards Board's (LSB) voluntary codes of best practice.

The LSB mission

Their mission is to drive fair customer outcomes within financial services. They are independent in their approach to setting standards and oversee compliance with those standards. The Standards and Codes The Co-operative Bank has signed up to are:

- **Standards of Lending Practice for personal customers:**
The Standards of Lending Practice for personal customers set out standards of good practice in relation to overdraft, credit card, chargecard and unsecured loan products, and how these services are provided to consumers.
- **Standards of Lending Practice for business customers:**
The Standards of Lending Practice for business customers provide protections for SMEs with a consolidated turnover of up to £25 million across loan, commercial mortgage, overdraft and credit card products. The outcomes focussed Standards apply across digital, branch and telephony networks used to deliver products and services to SMEs.
- **Contingent Reimbursement Model Code (CRM Code) for Authorised Push Payment (APP) Scams:**
The CRM Code sets out consumer protection standards to reduce APP scams, which occur when customers are tricked into authorising a payment to an account they believe belongs to a legitimate payee.
- **Access to Banking Standard:**
The Standard is designed to ensure that customers affected by branch closures receive sufficient communication and clarity on the reasons for the closure and adequate support in accessing alternative banking services.

Find out more about the
LSB here



Our Values and Ethics in action

Supporting our most vulnerable customers

Specialist Financial Support

Any customer who is experiencing financial difficulties, we ask to get in touch as soon as possible by calling us to ensure the customer receives the specialised support and advice they require from the right team. Alternatively customers can send a secure message once logged into online banking 24/7. For some customers who find themselves in an emergency situation we have a Hardship Fund available which can provide a one off payment of £100, providing immediate support.

Accessibility services

We have a range of tools available to support customers , including providing a range of documents in large print, Braille and audio, BSL interpreters at branch appointments and hearing induction loops. For visually impaired customers we ensure correspondence, statements, PIN advice and brochures are available in large print, Braille and audio. Our website also adheres to WCAG AA standards where possible, and before any page goes live we use automated testing, expert reviews and direct feedback from our users.

Partnership with CitizensAdvice

The Co-operative Bank and Citizens Advice Manchester have developed a referral programme for customers who are experiencing difficulties. The programme provides access to a dedicated adviser who completes a holistic assessment to understand the customer's issues. The adviser provides immediate advice and support, and can refer customers with more complex issues to their local Citizens Advice. We have added a self-referral link on our website and posters with QR codes in branch so customers can go to them directly without needing to speak to us first.

Money management and Financial Education

We want to help our customers when they need us the most, from major life events to everyday financial hints and tips. That's why we've created an online money management hub, offering help and advice on managing finances with links to helpful tools and internal and external support.



Find out more about how we support our customers [>](#)

Financial Inclusion

Supporting survivors of abuse

We have created online support information for people experiencing Economic Abuse, the information contains advice such as how to stay safe online and signposts to support. The information will not show in the search history for safety.

We have also created a digital disclosure form so customers can let us know if they are experiencing abuse and tell us what they need.

Our colleagues have received training from Surviving Economic Abuse, with guidance on how to identify and support customers. We have also volunteered to participate in their pilot of an Economic Abuse Evidence Form, to make it easier for people to disclose to multiple firms.

On the footer of every website page, our customers can access a pop up, which signposts customers to support with economic abuse, without leaving a digital footprint, keeping survivors safe when they are seeking support.

Safe Spaces

All our branches are now a 'safe space', this is an initiative created by [UK SAYS NO MORE](#), a national campaign facilitated by Hestia that works with partner agencies to provide a safe space for people who need it. The space will enable them to seek support if they need it with access to a phone and contact numbers.

Find out more about Safe Spaces here



Find our economic abuse pop up at the footer of our website pages



Promoting human rights

We support the UN Guiding Principles on Business and Human Rights

As detailed in our Ethical Policy, we will not provide banking services to any business, organisation or government that:

- Fails to implement basic labour rights as set out in the Fundamental UN ILO Conventions (e.g. avoidance of child labour, or that actively oppose the rights of workers to freedom of association, e.g. in a trade union)
- Impedes access to basic human necessities (e.g. safe drinking water or vital medicines)
- Engages in irresponsible marketing practices (e.g. with regard to tobacco products and manufacture)

Read our full approach in our updated Ethical Policy here



Modern Slavery and Human Trafficking

We are committed to ensuring that our business, and our suppliers, are free from modern slavery and human trafficking, upholding the principles of our Ethical Policy. Our Modern Slavery and Human Trafficking Statement sets out the steps we're taking to prevent modern slavery.

The maximum working hours for school leavers in the UK is 40hrs per week our contract states 35hrs per week for all employees. We also have detail in our modern slavery document re suppliers to not engage in or support the use of child labour, and to provide specific consideration to young persons between the ages of 15 and 18, particularly in respect of their hours of work and safety.

Read our Modern Slavery and Human Trafficking Statement here



Governance

How we embed ESG in our
business

The **co-operative** bank

ESG Governance

Values and Ethics are written into our Articles of Association

In November 2014 we wrote the co-operative values and ethical policies into The Co-operative Bank's Articles of Association, **ensuring they are a permanent and important element of our business governance.**

Without values and ethics we could become just like any other bank and our customers have told us that's not what they want – values and ethics are some of the main reasons why many of our customers choose to bank with us. So, as well as embedding values and ethics into our Articles of Association, we also created the Values and Ethics Committee, a Board Committee with an independent chair, Sue Harris, to ensure values and ethics remain at the heart of the Bank.

The purpose of the Values and Ethics Committee is to oversee the adoption of co-operative values and ethics within the organisation and to report at least annually to the board on the Bank's compliance with its statement to Cooperatives UK. It monitors compliance with the Bank's values, ethics and Environmental, Social and Governance (ESG) strategies; including the Bank's journey to 'Net Zero'.

Read the Values and Ethics
Committee Terms of Reference

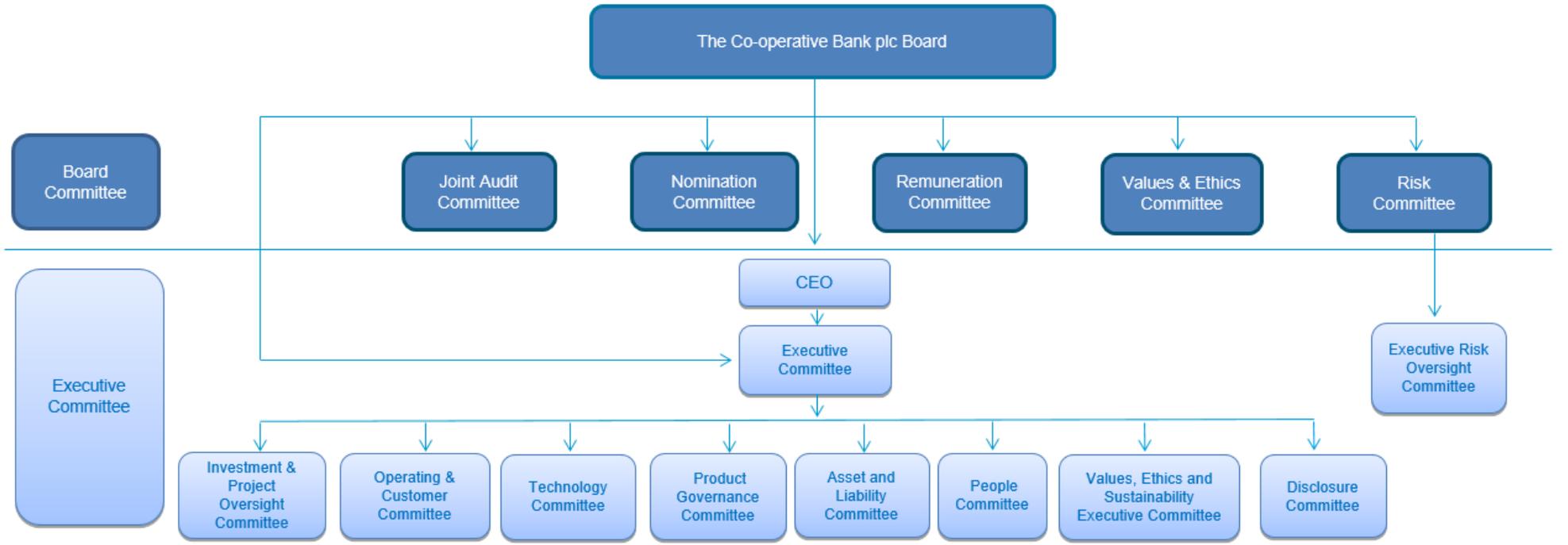


Sue Harris
Chair, Values and Ethics Committee

Governance framework

The Co-operative Bank plc Board and Committees of the Board Structure along with the Executive Committees.

For more information regarding the Bank's governance framework, please see the Corporate Governance Report in the 2022 Annual Report and Accounts (p.64 onwards).



Read our Corporate Governance Report, p72



Risk Committee Structure

Committee	Risk focus
Board	The Board has collective responsibility for the long-term success of the Group and the Bank. Its role is to provide leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. It sets the values and standards and ensures the obligations to its shareholders, customers and other stakeholders are understood and met. The Board sets the strategy and approves plans presented by management for the achievement of the strategic objectives it has set. It determines the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and is responsible for ensuring maintenance of sound risk management and internal control systems.
Risk Committee(RC)	RC is responsible for reviewing and reporting its conclusions to the Board on the Group's risk appetite and propose for approval by the Board and oversee the implementation of a Risk Management Framework, taking a forward-looking perspective and anticipating changes in business conditions.
Executive Risk Oversight Committee (EROC)	EROC is responsible for oversight of the risk profile of the Group (within the agreed Board risk appetite). The Committee reviews and challenges the risks associated with the Group's business strategy, plans and overall management of risks. EROC achieves some of its objectives through delegating responsibility to sub-committees: OCROC, MROC, PROC and CROC. EROC will escalate, where appropriate, to the Board via the RC.
Executive Committee (ExCo)	ExCo is responsible for defining and implementing the Board-approved strategy successfully by monitoring and managing delivery against plan and applying appropriate risk management actions to emerging risks.
Asset and Liability Committee (ALCo)	ALCo is primarily responsible for overseeing the management of capital, market, earnings, liquidity and funding risks. Its responsibilities include identifying, managing and controlling the balance sheet risks in executing its chosen business strategy, ensuring the capital and liquidity position is managed in line with appropriate policies and that adequate capital is maintained at all times.
Model Risk Oversight Committee(MROC)	MROC ensures, on an ongoing basis, that the model rating systems and material models are operating effectively. This includes providing Executive level review and challenge of the model risk and the impact of model risks on the Group's business model and strategies. MROC also provides oversight of the Group's IRB permissions, including the exemptions where the Group applies the Standardised Approach to calculate Pillar 1 capital requirements.
Credit Risk Oversight Committee(CROC)	CROC is responsible for monitoring significant credit risks and issues within the entire credit lifecycle, the controls and management actions being taken to mitigate them and to hold to account the Executives responsible for actions. CROC reviews the credit risk strategy on an ongoing basis, making recommendations to EROC as appropriate.
Operational, Compliance & Financial Crime Risk Oversight Committee (OCROC)	OCROC is responsible for monitoring significant operational risks and issues including significant conduct, regulatory, product, reputational, fraud and AML risks and issues, the controls and management actions being taken to mitigate them and to hold to account the Executives responsible for actions. OCROC oversees the current and emerging operational risk profile, ensuring key risk exposures are managed within risk appetite and reported to EROC as appropriate, including the monitoring of adherence to the RMF alongside a process for continuous improvement.
Pension Risk Oversight Committee (PROC)	PROC is responsible for oversight of all aspects of pension arrangements which the Group either sponsors or participates in, to ensure cost, risk, capital, investment and employee requirements are met.



Board committees

The Bank Board has established Board Committees, namely: the Risk Committee, the Values and Ethics Committee, the Remuneration Committee and the Nomination Committee. There is a Joint Audit Committee of the Holding Company, Finance Company and Bank Company.

All Board Committees have terms of reference, describing the authority delegated to it by each Board. Each of these Committees has a role in ensuring the effective oversight by the Boards of the Holding Company, the Finance Company, the Bank Company and their subsidiaries.

More information regarding each of these Board Committees, along with an introductory statement from each of the Committees' Chairs, can be found within the Corporate Governance Report contained within the 2022 Annual Report and Accounts (p.64 onwards).

Read our Corporate Governance
Report, p.64 onwards



Governance framework

Committee	Purpose
ExCo	<p>Meetings are held weekly, chaired by the CEO with his direct reports as members (apart from the Director, Internal Audit, Treasurer and Company Secretary who are standing invitees). The CEO appoints all members. Only members and regular attendees attend meetings, unless invited by the Chair.</p> <p>The core responsibilities of the Committee include, but are not limited to, oversight and implementation of:</p> <ul style="list-style-type: none"> • Strategy, Direction and Performance of the Bank including development and maintenance of the Bank’s business model; • Culture, Values and Ethics including overseeing the adoption and embedding of the Bank’s culture, values and ethics statements and overseeing the implementation and periodic refresh of the Bank’s Values and Ethics Policies; • Matters Reserved for the Board including identifying matters required or appropriate for escalation to the Board or appropriate Board Committee and to review and agree all submissions to the Board or Board Committees; • Customer Experience / Service including ensuring service delivery meets agreed performance levels and any exceptions are highlighted, understood and where necessary, have action plans to remediate; • Product and pricing including approval of any new products and / or significant changes to existing products or supporting processes; • Risk and Governance including monitoring the Bank’s performance against risk appetite and where required approving the implementation of risk management actions where breaches have been identified or are considered likely; • Capital, Assets, Liabilities and Profitability including managing the capital and liquidity position of the Bank. Monitoring the Bank’s capital, assets, liabilities and profitability performance versus forecasts and approving the implementation of mitigating or remedial actions where required. Oversight of significant financial performance issues affecting the successful delivery of the Bank’s strategic objectives or plans; • Transformation and Change Delivery including monitoring significant change initiatives including major capital expenditure projects and their associated risks, breaches and proposed management actions for resolution; • Organisation and Operations including ensuring that appropriate levels of authority are delegated to senior management and overseeing breaches of operational processes; • People and Resourcing including identifying and developing strategies to effectively deal with people and resource related issues that might adversely affect the Bank’s ability to achieve its strategic objectives; and • External Reporting including oversight of key materials presented to external stakeholders (including regulators) and investors. <p>Members: Nick Slape (Chair), Louise Britnell, Gareth Jones, Darrell Evans, Maria Cearn, Catherine Douglas, Gary McDermott, Gary Delooze</p> <p>Standing invitees: Sebastian San Martin and Catherine Green</p>

Governance framework

All Executive Committees have Executive and senior management representation.

Committee	Purpose
Asset & Liability Committee	ALCo is primarily responsible for overseeing the management of capital, market, earnings, liquidity and funding risks. Its responsibilities include identifying, managing and controlling the balance sheet risks in executing its chosen business strategy, ensuring that the capital and liquidity position is managed in line with policy and that adequate capital is maintained at all times.
Operating & Customer Committee	Agrees and monitors operational strategies and plans; operating and financial performance; policies controls and risks; performance for customer service and operational people and resourcing matters.
Product Governance Committee	Considers and agrees, in the context of the Bank's product and risk appetite, strategy and financial plan, the Bank's product, customer and channel strategies, product launches, product and tariff reviews, pricing decisions and RoE analysis.
Disclosure Committee	Acts to support the CEO to consider whether materials might be published against the tests of inside information, confidentiality or privilege.
People Committee	Reviews remuneration matters that impact Senior Management Functions, Material Risk Takers and the Bank as a whole and discusses and reviews risk matters escalated through the Risk Adjustment Process and any other material bank wide people matters.
Investment and Project Oversight Committee	Prioritises programmes, approves business cases and agrees programme expenditure in line with the Bank's strategic plan.
Values, Ethics and Sustainability Executive Committee	Reviews all climate, sustainability and ESG-related issues and reports into the Executive Committee, and onto the Values and Ethics Committee of the Board as required. Products, frameworks and initiatives with ESG implications are assessed and approved at this committee. All urgent Environmental, Social and Governance (ESG) matters are escalated to the Executive Committee and to the Values and Ethics Committee where necessary.

Board composition and responsibilities

Board composition

During the year, there have been changes to the Board of the Holding Company, to the Board of the Finance Company and to the Board of the Bank Company (the Boards). More information regarding the composition of the Boards, biographies and length of service of the directors, and diversity can be found in the Corporate Governance Report contained within the 2022 Annual Report and Accounts (p.64 onwards).

Role and responsibilities of the Board of the Holding Company, the Board of the Finance Company and the Board of the Bank Company

The Boards have collective responsibility for the long-term success of the Holding Company, Finance Company and Bank Company. Their role is to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed. They set the values and standards and ensure that their obligations to shareholders, customers, employees and other stakeholders are understood and met and that the Bank's strategy is delivered by management.

Read our Corporate Governance
Report, p.64 onwards



Board effectiveness

Performance evaluation

The Board agendas continue to balance the need to provide oversight and governance across the business and to provide challenge where appropriate.

The Bank Board, its Committees and individual Directors were subject to an external performance review which started during the fourth quarter of 2022. The assessment comprised a series of one-to-one interviews with all Directors and members of senior management and observation by the Chartered Governance Institute, who had been selected to conduct the review, of Board and Committee meetings in November 2022. The outcomes of the external assessment were provided to the Board in the first quarter of 2023.

Senior Managers and Certification Regime (SMCR)

The Bank continues to deliver robust compliance with its governance over the Senior Managers and Certification Regime. Directors have been briefed extensively and received further annual training in connection with the requirements set out in the SMCR.

Conflicts of interest

Pursuant to the Companies Act 2006, the Directors have a duty to avoid situations in which they have or may have interests that conflict with those of the Bank Company, Finance Company and Holding Company unless that interest is first authorised by the other Directors. The Bank Company, Finance Company and the Holding Company's Articles of Association allow the Boards to authorise such potential conflicts and there is a procedure to deal with actual or potential conflicts. All potential conflicts approved by the Boards are recorded in the Conflicts of Interest Register which is reviewed at each Board meeting to satisfy itself that all potential conflicts are appropriately considered and have been approved.

The Boards have determined that a Director with a potential or actual conflict will not be permitted to form part of the quorum or vote upon the matter giving rise to the conflict. The Boards have put in place protocols to address potential conflicts arising from the appointment of the Non-Executive Directors who are not independent for the purposes of the Companies Act 2006. Prior to taking up any external appointment or responsibilities, Directors are asked to consult with the Company Secretary and the Chair of the Board.

Read our Corporate Governance
Report, p.64 onwards



Board independence

- Information regarding the independence of the Board can be found within the Corporate Governance report contained within the ARA 2022 Annual Report and Accounts (p.64 onwards) and on the Governance pages of the Bank website.
- The Board is one-tiered with executive representation from two executive directors. The two executive directors are not independent.
- As at 31 December 2022, the Board consists of ten Directors, of whom eight are non-executive directors (NEDs) and two are executive directors (CEO and CFO).
- Five of the NEDs are independent (INEDs) and the NED Chair of the Board was considered to be independent on his appointment.
- Two NEDs are designated B Directors (as defined in the Articles of Association of The Co-operative Bank Holdings Limited, the ultimate parent company of the Bank) and are not considered independent.
- Details of the percentage B shareholdings are publically disclosed in the Corporate Governance Report contained within the 2022 Annual Report and Accounts. No one B shareholder has a controlling shareholding.

Read our Corporate Governance
Report, p.64 onwards



Board independence

- The share capital of the ultimate parent company of the Bank, The Co-operative Bank Holdings Limited (“the Holding Company”), is divided into Class A ordinary shares and Class B redeemable preference shares. Except in particular circumstances (as defined in the Holding Company’s Articles of Association), holders of A shares are not entitled to receive notice of, nor attend to vote at general meetings of the Holding Company.
- The Bank has established a Joint Audit Committee, as well as other Board level committees. Details of the principal responsibilities of each of these Committees can be found within the Corporate Governance Report contained within the 2022 Annual Report and Accounts. The terms of reference for these Committees are publicly available on the Bank’s website.
- Although the Bank does not voluntarily comply with the Financial Reporting Council’s (FRC) 2018 UK Corporate Governance Code (the “2018 Code”), it is comfortable that its corporate governance framework reflects many of the principles and provisions set out in the 2018 Code, which includes provisions relating to Board composition.
- Excluding the Chair, at least half of the Board are independent non-executive directors which is in line with the requirements of the UK Corporate Governance Code.
- The Directors have to declare any interests in related parties at every BAU Board meeting and no nominally independent directors are affiliated with the company/ controlling shareholder/ the CEO or other insiders.

Read our Corporate Governance
Report, p.64 onwards



Board diversity

The Board re-adopted the Board Diversity Policy, as recommended by the Nomination Committee, in July 2022, bearing in mind the Financial Conduct Authority's (FCA) 2022 Policy Statement regarding diversity and inclusion on Board and Executive Management.

During 2022, in addition to approving the Diversity Policy, the Board continued to place oversight on the progress of the Bank's diversity targets.

In addition, the Nomination Committee continues, when required, to identify and nominate, for approval by the Board, candidates to fill Board vacancies having regard to the balance of skills, knowledge, independence, experience and diversity on the Board. The Nomination Committee also annually reviews the Board Diversity Policy, and the measure of objectives set in implementing the policy and progress on achieving the objectives.

Further information relating to the activities undertaken by the Bank in relation to inclusion and diversity can be found within the 2022 Directors' Report.

Read our Directors' Report,
p.94 onwards



Values and Ethics

Embedding our Values and Ethics and ESG commitments

Under the Holding Company's, Finance Company's and Bank Company's Articles of Association, there is a requirement for each of the companies to promote and conduct the company's business to the extent practicable, in a manner informed by the established values of the co-operative movement.

In particular, the Bank is required to promote and conduct its business in such a manner with regard to:

- how it relates to, communicates with, balances the interests of, and otherwise deals with its stakeholders; and
- how it applies the profits of the Bank, in accordance with the dividend policy set out in its Articles of Association.

More information regarding how the Bank's Values and Ethics are enshrined in the Bank's Corporate Governance framework can be found in the Bank's Articles of Association, which are published on the Bank's website. Further information regarding what this means in practice can be found in the V&E Committee Report contained in the 2022 Annual Report and Accounts and the 2022 Sustainability Report

[Read our Articles of Association here](#)



[Read our Corporate Governance Report, p.64 onwards](#)



Embedding our co-operative values and ethics and ESG principles

Our values and ethics and ESG principles are embedded throughout our governance committees, where it is mandatory for us to align the forums to our commitments.

The Bank's Values, Ethics and Sustainability Strategy is formally governed through the Values and Ethics Committee, the Values, Ethics and Sustainability Executive Committee (VESECo), and the Executive Committee (ExCo). In addition, Climate Risk is managed through the Executive Risk Oversight Committee (EROC).

All Environmental, Social and Governance (ESG) matters are escalated from VESECo to ExCo to V&E Committee as necessary, or from EROC to Risk Committee.

Statutory disclosures

Transfer of shares

The shareholder of the Bank Company and Finance Company may transfer any shares in any manner which is permitted by law and is from time to time approved by the Board of the Bank Company and Finance Company respectively. Restrictions on the transfer of the B redeemable preference shares can be found within the Holding Company's Articles of Association.

Approval is required from the Prudential Regulation Authority if a person intends to acquire or increase its 'control' of a UK authorised person (which includes the Bank).

Voting rights

Subject to the Bank's Articles of Association and to any special rights or restrictions as to voting for the time being attached to any shares, the provisions of the Companies Act 2006 shall apply in relation to voting rights of the Bank's shares.

B redeemable preference shareholders are entitled to receive notice, attend and vote at a general meeting of the Holding Company in accordance with the Holding Company's Articles of Association.

For more information regarding the Bank's statutory disclosures and shareholder voting rights and underlying processes, please see the Corporate Governance Report in the ARA (p.64 onwards) and the Bank's Articles of Association, which are published on the Bank's website.

[Read our Articles of Association here](#)



[Read our Corporate Governance Report, p.64 onwards](#)



Board and Executive remuneration

Details of the governance arrangements and approach to the Bank's remuneration, including remuneration disclosures, can be found within the Remuneration Committee report, contained in the 2022 Annual Report and Accounts.

Read our Corporate Governance
Report, p.64 onwards



Details of how Executive and colleague remuneration is linked to Environmental, Social and Governance (ESG) performance can be found in the Director's Report on remuneration to the shareholder.

Read our Corporate Governance
Report, p.101-102



Climate risk

Our approach towards Climate Change Risk

Climate Change poses a significant threat across society and it is important that the Bank takes action to assess and minimise the financial risks it poses through the Bank's operations and its customers. These risks will arise through both Physical means and in the Transition to a low carbon economy.

As such, the Bank has established a robust approach towards managing the financial risks posed by Climate Risk:

Ethical Banking and protecting and enhancing the environment

We don't provide banking services to organisations that conflict with our customers' views on a comprehensive range of issues, including: human rights, the environment, international development and animal welfare.

We will not provide banking services to any business or organisation whose activity contributes to global climate change or the destruction of ecosystems, via:

- The exploration, extraction or production of fossil fuels (oil, coal and gas, including from tar sands and hydraulic fracturing)
- The operation and development of fossil fuel fired power stations or fossil fuel infrastructure, such as oil and gas pipelines
- The exploration or extraction of minerals using deep seabed mining, including the conduct of research that facilitates deep sea mining
- The degradation of areas that are critical stores of irrecoverable carbon
- The manufacture of chemicals that are persistent in the environment, bio-accumulative in nature or linked to long-term health concerns
- The unsustainable harvest of natural resources, including timber, fish and palm oil
- The development of genetically modified organisms where there is evidence of uncontrolled release into the environment, negative impacts on developing countries, or patenting, e.g. of indigenous knowledge
- The development of nanotechnology in circumstances that risk damaging the environment or compromising human health

We make sure the businesses we provide banking services to do not conflict with our Ethical Policy and the views of our customers by applying a stringent screening process throughout the lifecycle of our business accounts.

Read our approach towards Climate Change Risk in the Risk Management section within the ARA



Climate risk

Our approach towards Climate Change Risk

Systemic Risk Management

The Prudential Regulation Authority's Supervisory Statement 3/19 - Enhancing banks' and insurers' approaches to managing the financial risks from climate change, required regulated entities to embed the consideration of the financial risks from climate change in governance arrangements, incorporate the financial risks from climate change into existing financial risk management practice, use long term scenario analysis to inform strategy setting and risk assessment and identification, and develop an approach to disclosure on the financial risks from climate change. The Bank remains compliant with these requirements.

The Bank recognises that ensuring climate change risks are embedded across the Group's governance framework is critical to supporting climate-conscious decision-making. Climate change risk is incorporated into the Risk Management Framework and is managed as a thematic risk, recognising the linkage and impact of climate-related risks upon other principal risks. Decisions to mitigate, transfer, accept or control any significant climate-related risks identified are made in accordance with RMF principles. All reports presented to the Board and its committees must disclose the risks, including financial risks arising from climate change where relevant, that have been considered in relation to the recommendation.

The risks and opportunities arising from climate change are a key focus of the Bank. In 2022, the Bank assessed all material exposures relating to financial risks arising from climate change. While the impact of climate change on the Bank's financial statements was assessed as not material, we are continually identifying and assessing climate-related risks and opportunities to ensure we are positioned as the ethical banking alternative for our customers and stakeholders.

Read our approach towards Climate Change Risk in the Risk Management section within the ARA



Climate risk

Our approach towards Climate Change Risk

Assessing capital requirements in relation to Impacts of climate change

The Co-operative Bank has an embedded process to assess its capital requirements, the Internal Capital Adequacy Process (ICAAP). The purpose of the ICAAP is to inform the Board of the continuing assessment of the Bank's risks, how the Bank intends to mitigate those risks and how much current and future capital is required having considered other mitigating factors. The Bank is then required to assess whether it meets the overall financial adequacy rule by meeting the assessed capital requirements across the planning period.

It is the responsibility of the Bank to define and develop its ICAAP. The ICAAP is codified in Article 123 of the CRD and implemented locally through the PRA's ICAA rules. These are outlined in the PRA rulebook 'The PRAs approach to bank supervision'. Within the Bank's governance framework, the ICAAP is a process to ensure the management body (both supervisory and management functions):

- Adequately identifies, measures, aggregates and monitors the institution's risks;
- Ensures the institution holds adequate internal capital in relation to the institution's risk profile; and
- Uses sound risk management systems and develops them further.

Read our approach towards Climate Change Risk in the Risk Management section within the ARA



Climate risk

Our approach towards Climate Change Risk

Governance

The corporate governance framework is continuously reviewed to ensure it includes sufficient focus on ESG topics, including climate risks and opportunities. In 2022, the Bank established the Values, Ethics & Sustainability Executive Committee to lead the implementation of the Bank's values, ethics, sustainability and ESG strategies and escalate any risk surrounding the delivery of these strategies to the Executive Committee and, where appropriate, the Values & Ethics Committee. The Group has ensured that climate change risks are embedded across the Group's risk governance framework.

- Board: Reviews, challenges, and approves the Group's strategic plan, including its ESG strategy and strategic approach to managing climate change risk.
- Risk Committee (RC): Reviews and approves the results of climate-related scenario analysis and stress testing. Challenges the Group's ongoing management of climate change risk.
- Executive Risk Oversight Committee (EROOC): Provides oversight of the Group's prioritisation, treatment and management of any significant climate-related risks identified. Reviews the embedding of climate change risk within the RMF, policy development, developing materiality determinations and scenario analysis/stress testing.
- Risk Oversight: Delivers the day-to-day management of climate change risk through the RMF. Scenario analysis and developing materiality determinations are owned within the Risk function, including the Group's modelling of climate change risk.

Board Training

In 2022, The Co-operative Bank's Board of Directors received Climate Risk training from external consultants which provided insight and key information to educate the Board on the current market themes and expectations upon businesses in respect of both ESG and climate change. Topics discussed during the training included the embedding and controlling of climate risk within organisations; measuring social impact and value; and stakeholder expectations in respect of data and reporting around ESG and climate related matters.

As part of our 2023 ESG Commitments, The Co-operative Bank has committed to providing additional ESG training for all colleagues including the Executive and Board.

Read our approach towards Climate Change Risk in the Risk Management section within the ARA



Climate risk

Our approach towards Climate Change Risk

Achievements and Actions to-date:

- In 2007 we became the first bank to go ‘beyond carbon neutral.’
- In 2015 we were the first UK high street bank to sign the Paris Pledge denying finance for coal mining and power generation.
- Commitment in our Ethical Banking policy to not provide banking services to any business or organisation whose core activity contributes to global climate change.
- Carbon offsetting (ClimateCare).
- The Bank signed up to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking in February 2020. We published our 18 month report on progress as a Principles for Responsible Banking member in November 2021.
- In 2022 we became the first UK high street bank to be part of the Bank.Green Fossil Free Banking Alliance, which helps climate-conscious consumers to choose a bank that isn't financing the climate crisis.
- Established our Green, Social and Sustainability (GSS) Financing Framework to facilitate the funding of assets with environmental or social benefits and issued our inaugural Green Bond in 2022.

Read our Green, Social and
Sustainability Financing Framework >

UNEPFI membership >

Tax Strategy

The tax strategy of The Co-operative Bank is set by the Bank's Board of Directors on the recommendation of the Audit Committee. The tax strategy is reviewed on an annual basis

The Bank is a signatory to HMRC's Code of Practice on Taxation for Banks. The Code of Practice sets out certain obligations for adopting banks and governs the Bank's approach to governance, tax compliance, tax planning and its relationship with HMRC. The Code of Practice requires banks to have adequate governance to control the types of transactions they enter into; not undertake tax planning that aims to achieve a tax result that is contrary to the intentions of Parliament; comply fully with all their tax obligations; and maintain a transparent relationship with HM Revenue & Customs. Furthermore:

- The Bank aims to minimise and has a low appetite for tax risk in line with the Code of Practice on Taxation for Banks
- The Bank is committed to a responsible approach to the payment of tax and to complying with both the spirit and the letter of tax law
- The Bank's Taxation Control Standard sets out the control objectives and minimum control requirements to ensure the principles set out in the Financial Reporting Risk Policy can be translated into real, owned controls
- A key objective of the tax strategy is that the Bank pays the correct amount of tax at the right time, according to all relevant laws and regulations applicable to the Bank
- Tax planning transactions having no commercial purpose other than the avoidance of tax, or which are not aligned to the Bank's strategy will not be undertaken
- Transactions will not be structured in away that will have tax results for the Bank inconsistent with the underlying economic consequences unless there exists specific legislation designed to give that result
- Remuneration packages for employees, including senior executives, will be structured so that the Bank believes that the proper amounts of tax and national insurance contributions are paid at the right time on the rewards of employment
- The Bank is committed to engaging with HM Revenue & Customs (HMRC) in a professional, open and transparent manner.
- The tax strategy is approved by the Board annually and was last approved in November
- Our Ethical Policy states "We will not provide banking services to any business or organisation: That takes an irresponsible approach to the payment of tax in the UK and elsewhere".
- A note on Tax Jurisdiction - The Co-operative Bank has all of our operations based in the UK.

Read more on page 19 of our
Annual Report and Accounts



Read more in our Ethical
Policy



Cyber security

Management and ISO27001 certification

Criminals continue to demonstrate increasing levels of sophistication and ambition to attack organisations and their colleagues. The threat environment continues to evolve, with recent examples of financial services organisations or supporting industries being targeted. The Co-operative Bank, along with all other financial institutions, is required to ensure regular user awareness work is conducted to help combat certain cyber-attacks and to embed a cyber aware culture across the organisation. This is done through:

- **Regular colleague communications** – The Cyber Security team publish regular communications on the Bank Intranet which focus on key topics to improve cyber awareness and are also used to issue topical reminders around internet security. Written communications are also supplemented with ad-hoc lunch and learns sessions hosted by one of the Cyber Security team.
- **Cyber Security Awareness Week** – An annual Cyber Security Awareness Week is hosted at the Bank to bring attention to cyber risks and provide colleagues with opportunities to ask any questions they may have in open fora. The week consists of daily intranet articles, regular blogs from senior leaders, talks from industry experts as well as competitions to encourage engagement.
- **Bank-wide user education** – All Bank employees are mandated to complete an Information Security training module every year. The training module covers common cyber threats and what colleagues should do to stay safe from them.
- **Targeted user education** – In addition to the Bank-wide mandatory training, privileged users who may be at a higher risk of social engineering attacks have been identified so that they can receive targeted training to help them combat any of these attacks.

The Bank also has a Board-approved Cyber Security Strategy and aligns to industry best practice and frameworks with regular independent assessment. As part of this, the Bank has received ISO27001 certification for the facilitation of internal cyber security services for corporate infrastructure, inclusive of server architecture, end point management, firewalls, and systems internally managed for the delivery of core services to The Co-operative Bank; awarded by the British Assessment Bureau. ISO27001 is one of the most widely recognised and internationally accepted information security standards, designed to help a business set up, administer, and maintain an information security management system (ISMS).



Provided by the British Assessment Bureau following our successful ISO27001 certification.

Cyber security

Customer First

As well as supporting the education of Bank colleagues, the team looks to empower our colleagues, customers and local communities to be more assured when using technology by providing them with educational resources, encouraging them to move forward in the digital world confidently. As a Bank that does the right thing, it is important that we offer support to our customers where it is needed.

- **Cyber Awareness Modules** – The Bank’s Cyber Security team have developed a number of resources to help our business customers supplement any training they already offer to staff. These have been created in partnership with BPP, a training service provider, and modules can be accessed from the Bank’s public site. The e-learning modules are freely available to any Bank customers but it is believed significant benefit could be gained by business customers. The modules are publicly available which means that the resources could also be used by charities to help improve local communities’ understanding of cyber security at no cost to them.

Find our cyber security awareness modules here



- **Cyber Resilience Centre** – The Bank is a core member of the Greater Manchester Cyber Resilience Centre helping our business customers stay safe. The Resilience Centre looks to grow and strengthen the region’s resilience to online crime by providing the highest standards in leadership, integration and collaboration across the cyber eco-system in Greater Manchester.
- **Community Support Sessions** – The Bank is a partner of Greater Manchester’s Chamber of Commerce (GMCC), an organisation designed to provide business support to companies of all shapes and sizes, with over 4500 members. The Bank’s Cyber Security team have hosted sessions in conjunction with GMCC allowing us to provide cyber education to individuals and organisations across Manchester.
- **Responsible Disclosures** – In continuing to build a safe and secure online community, we have developed our responsible disclosure programme to best work across our customers, suppliers, industry, academia and the cyber security community. The Bank maintains a responsible disclosure process that provides an appropriate channel to report security concerns which are then triaged by the Bank.

Find out more about responsible disclosures



Our Values and Ethics in action

UNEP FI membership

On 3 March 2020 The Co-operative Bank became an official signatory of the UN Principles for Responsible Banking – a single framework for a sustainable banking industry, developed through an innovative partnership between banks worldwide and United Nations Environment’s Finance Initiative.

Andrew Bester, Chief Executive Officer at The Co-operative Bank at the time of signing, said; “Committing to the UNEP FI Principles for Responsible Banking is something we’re proud to do. The climate crisis is an issue that needs determined action and we have a long standing commitment to tackle climate change. We know this matters to our customers and therefore it matters to us. The UNEP FI principles provide a single framework for the banking industry and we will be building on our existing sustainability commitments to embed the framework within our strategy and joining the other UNEP FI members in making a positive contribution to society.”

We continue to be a signatory of UNEP FI to this day.

[Read our First Update Report March 2023](#)



[Principles for Responsible Banking Signatories](#)



Consumer Duty

Implementing Consumer Duty across the Bank

The Financial Conduct Authority (FCA) is introducing a new Consumer Duty designed to increase the current level of consumer protection in the retail financial services market. The Consumer Duty introduces:

- A new Consumer Principle that requires firms to act to deliver good outcomes for retail customers;
- Cross-cutting rules requiring firms to act in good faith, avoid causing foreseeable harm, and enable and support customers to pursue their financial objectives, and
- Four Outcomes rules requiring firms to ensure consumers receive communications they can understand, products and services meet their needs and offer fair value, and the support they need.

The Consumer Duty will apply to all new and existing products and services that remain open for sale or renewal from the end of July 2023 and all other products and services by end of July 2024.

The FCA's publication has signalled a "paradigm shift in its expectations" of firms and will impact all areas of our business. Moving from a rules-based, prescriptive approach to a more data-led, outcomes focussed approach it will require firms to consider the impact of their products and services on their customers. There is a programme of work that will strengthen and enhance our customer values and ensure the Bank is comprehensively aligned to the new regulations.

Senior Managers and Certification Regime (SMCR)

Directors have been briefed extensively and received specific training in September 2022 on the considerations that those individuals captured by the SMCR will need to make following the implementation of Consumer Duty in July 2023.

Significant risk

The Group welcomes the introduction of the FCA's Consumer Duty which comes into force in July 2023 for on sale products. This requirement for firms to act to deliver good outcomes for retail customers is entirely aligned to our ethical principles. A significant body of work is underway and will continue over the coming months, across all elements of the Group to implement a more outcomes, data-led approach with a continuous cycle of monitoring to enable the Group to identify where things are not operating as expected for customers and to act quickly to minimise the risk of harm.

As an ethical bank, we already strive to ensure that we act in good faith, avoid causing foreseeable harm and support customers in pursuing their financial objectives. Consumer Duty is a further opportunity to strengthen and sharpen our conduct frameworks to evidence that the Group is delivering good outcomes.



Our policies

and external references

The **co-operative** bank

Our Code of Conduct

All colleagues, as well as agency workers and contractors who undertake activity on behalf of the Bank, are covered by the Bank's Code of Conduct requirements.

The Code of Conduct details the required individual behaviour to ensure we are operating in line with our Ethical Policy and Guiding Values, delivering the right customer outcomes, taking appropriate attitudes to risk and complying in full with regulatory requirements.

The Code of Conduct has four sections:

1. Upholding our Ethical Policy and Guiding Values

The Code of Conduct incorporates the areas of responsibility outlined in our Ethical Policy and Guiding Values. Together, these define the behaviours and conduct that the Bank expects from all colleagues. The Ethical Policy includes the Co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity. These values have been enshrined in the Bank's Articles of Association. Everyone who works for the Bank has a responsibility to apply the Ethical Policy to their areas of responsibility and to live up to the promises we have made to our customers.

2. Fair Customer Outcomes

Colleagues are expected to at all times act in the customers' and the Bank's interests.

3. Risk

Managing both internal and external risk is essential to enable the Bank to remain financially strong and to achieve its objectives. We take steps to reduce the risk of fraud by colleagues, customers or members of the public.

4. Regulation

Colleagues must be fully aware of all responsibilities to comply with applicable legislation, rules, and codes of practice or conduct laid by external authorities including the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

You can read our full Code of Conduct on our website:

Read our latest Code of
Conduct here



Whistleblowing

As a Bank we are committed to maintaining ethical, as well as professional standards in line with our legal and regulatory obligations. We take any failure to comply with our ethical, professional, legal or regulatory standards seriously. We believe individuals should escalate any concerns they have through appropriate routes. Doing so helps correct wrongs, fix problems or highlight risks. The investigation of any concerns raised will, where requested and so far as possible, be undertaken confidentially, colleague's will not be treated unfairly or be at risk of losing their job if they raise genuine concerns, whether they use the Bank's normal risk processes or the Concern at Work (whistleblowing) escalation routes.

Colleagues can raise concerns at any time about an incident that has already happened, is happening now, or they believe may happen in the near future. An independent whistleblower reporting hotline is available to all colleagues 24/7 and, where appropriate, the Bank's appointed Whistleblowers Champion can be contacted directly by phone. Anonymous reporting is possible and reports are treated confidentially.

The Bank's policy includes structures to process whistleblowing reports. The Chair of the Joint Audit Committee is the organisation's Whistleblowing Champion and is responsible for ensuring and overseeing the integrity, independence and effectiveness of the Bank's whistleblowing policies and procedures.

You can read our Concern at Work (Whistleblowing) Policy Overview on our website:

Concern at Work
(Whistleblowing) Policy Overview



Conduct risk

Acting in the customer's and Bank's interests

Colleagues are expected to act at all times with integrity and honesty in their business and personal dealings to protect the interests of our customers and the Bank.

Colleagues are expected to act at all times conscientiously and with due skill, care and diligence when carrying out every aspect of their role as an employee.

Conduct Risk

The Conduct Risk Policy has been updated in the latest period to take further account of the FCA's Consumer Duty requirements, enhancing the Bank's attention to delivering good consumer outcomes through a more data-led, outcomes focussed approach. Implementation had led to positive enhancements of the Bank's customer centric product and service governance frameworks and associated Outcomes MI. The Bank has taken this opportunity to combine the previously separate Product principle risk under Conduct, further embedding product fundamentals within the Bank's Conduct framework.

"Conduct Risk" is in simple terms about putting the customer at the centre of what we do to achieve good customer outcomes. It is essential that colleague's consistently act in line with the Bank's Conduct Risk Policy and the Bank's Values to ensure that they:

- Put the customer first.
- Put themselves firmly in our customers' shoes before they act.
- Understand how they affect the experience we create for our customers.
- Play their part in ensuring good customer outcomes.
- Be reliable, flexible and understand without doubt we exist for our customer.
- Understand our products and how they operate.
- Don't assume to know what our customers want.
- Don't ignore customer feedback.

Following these requirements will help keep the customer at the heart of how we operate and help us meet expectations set out by the Financial Conduct Authority and Prudential Regulation Authority.

You can read an overview of our Conduct Risk Policy and our 2023 Code of Conduct on our website:

Conduct Risk Policy
Overview



2022 Code of Conduct
Policy



Anti-money laundering

Embedding our policy

To embed our AML, CTF, FS and PF policy, colleagues are required to complete annual AML mandatory training which is undertaken by all colleagues and includes a module on raising a suspicious activity report (SAR). Front line colleagues are required to submit a SAR report when they feel a customer's behaviour or transaction raises suspicions. Further huddles are distributed periodically to ensure that the requirement is reinforced and understood.

To complement the Bank-wide mandatory training we also have additional training sessions and tailored guidance, given to colleagues specific to their roles including:

- **Branch Network** – “One Best Control” risk framework in place containing knowledge questions that colleagues complete on a monthly basis. Support and/or training provided to address any gaps identified.
- **Roles carrying enhanced money laundering, terrorist financing and sanctions risk** - Additional targeted training, for example, we have published an AML training module (red flags) for customer facing colleagues to supplement the AML mandatory training and provided additional Sanctions training following the increased sanctions restrictions imposed following Russia's invasion of Ukraine. We will look to create further modules during 2023.
- **Colleagues in AML Operations** – On going ad hoc training including: investigation skills and managing formal requests for information from Law Enforcement and Government Agencies.
- **SME account opening teams** - AML Red Flag training slides issued and sessions held during 2022 facilitated by our Risk team with support from first line risk colleagues, to combat the ML/TF risks that may be presented by SME customers.

You can read our full Financial Crime Policy Overview on our website:

Money Laundering and Terrorist
Financing Policy Overview



Responsible marketing

As an Ethical Bank, we are committed to Responsible Marketing practices.

While some of our emails keep you updated on essential information to do with your account (such as changes to terms and conditions and fees and charges), opting into marketing emails means you can receive additional information about our products and services, support with managing your money, and updates on how we're putting our values and ethics into action.

Read our Responsible
Marketing Policy here



Data privacy

Protecting the privacy of our colleagues and customers is extremely important to us. The Bank is committed to ensure that we abide by the Data protection Act 2018, The UK GDPR and the Privacy and Electronic Communications Act which are the laws that set the minimum standards for data protection. We look to exceed all standards where possible/practical.

Data protection law requires us to manage all personal information in accordance with the data protection principles. In particular, we are committed to:

- Obtaining user data through lawful and transparent means, with explicit consent of the data subject where required.
- Collecting and processing user data that is limited to the stated purpose.
- Requiring third parties with whom we share data to comply with our Policies on data.
- Notifying data subjects in a timely manner if there is a change in policy or data breach.

To support this we detail clear terms involving the collection, use, sharing and retention of user data including data transferred to third parties through the following policies and principles which cover all parts of the Bank's operations:

Policy/Principle	Key components
The Privacy Notice	Displayed on the website, mobile site, in all branches and is available in paper form on request from the bank
Thirdparties	Any 3rd parties that we deal with have a contractual obligation to the bank and as part of that there is a data protection schedule in place that calls out their requirements as described in the legislation.
Applicant PrivacyPolicy	The Bank will only gather and process the relevant type and amount of personal information required, allowing us to help recruit and then manage candidates employment with us.
Broker Privacy Notice	The Bank will only gather and process the relevant type and amount of personal information required, allowing us to help on-board the brokerage and maintain a business relationship ongoing.
Colleague Privacy Notice	The Bank will only gather and process the relevant type and amount of personal information required, allowing us to help recruit and then manage candidates employment with us.
Changes to privacy notice	We will update this notice to reflect changes to our information practices. If we make any material changes we will notify you by means of a notice on our website prior to the change becoming effective. We encourage you to periodically review co-operativebank.co.uk/global/privacy-and-cookies for the latest information on our privacy practices

Click here to find out more about our privacy policy



*Any queries on the Bank's approach to Data Privacy can be addressed to the Bank Data Protection Officer data.protection@co-operativebank.co.uk

Data request management

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Data Subject (Customer) Requests

The Bank complies with all requests from data subjects for copies of the data that the bank holds on them including, but not limited to, account records, statements of accounts, application forms, CCTV coverage and call recordings.

Non-data subject requests

The Bank abides by all relevant legislation and on occasions this will require the Bank to produce records relating to data subjects (customers or colleagues) when required to do so through a law instrument that is called out in the Data Protection Act 2018 or the UK GDPR.

All such requests must be accompanied by a duly authorised order that states which specific piece of legislation is being used to make the request and all these orders are checked to ensure that any data released is in line with the regulation.

The Bank is primarily subject to UK law and to date there have been no requests from foreign agencies for data relating to customers or colleagues. If such a request was received the Bank's Data Protection Officer and legal team would liaise closely with the Information Commissioners Office to ensure that the rights and freedoms of all data subjects are protected.

Click here to find out more
about our privacy policy



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Bribery and corruption

We have zero tolerance of bribery and corruption. The Bank is committed to acting with integrity and fairness in all its business dealings and commercial relationships.

Fraud

We have a Fraud Policy which includes Anti Bribery & Corruption (AB&C) and a specific Internal Fraud and AB&C Control Standard. Both are reviewed on an annual basis and signed off at the relevant Risk Committee (OCROC).

To embed our Fraud Policy all colleagues are required to complete annual Fraud mandatory training which includes a module on AB&C. Included in the training is the reinforcement that the Bank has a zero tolerance approach to AB&C.

Each year the Bank undertakes an AB&C and Facilitation of Tax Evasion risk assessment and an update is provided to our Risk Reporting Committees.

Gift & Hospitality

We have a Gift & Hospitality Procedures document which must be adhered to and followed by all colleagues. Our gifts and hospitality levels are reviewed quarterly by our Risk Function with confirmation of accuracy provided and reported to our Risk forum.

To compliment our individual policies we also have a section on fraud, including AB&C and gifts and hospitality, in the colleague Code of Conduct Policy providing further guidance especially around conflicts of interest.

Externally, we have a section on AB&C on the Bank's website which outlines The Bank's stance on Bribery & Corruption and confirms that we conduct our business fairly and lawfully and will not tolerate crime offences such as Bribery & Corruption in any guise.

You can read our full Financial Crime Policy Overview here:

Financial Crime Policy
Overview



Political Involvement

Disclosure Policy

The Co-operative Bank prides itself in being an ethical bank, and as such our customers rightly expect us to conduct our business with honesty and transparency. This expectation extends to our relationships with public institutions and individuals of political importance. As a business, we are strictly politically neutral and have commitments in place to ensure that we uphold our neutrality. We publicly disclose all formal meeting on behalf of the Bank between political figures and members of the Bank’s Board and Executive, as mandated by our Ethical Policy and update this quarterly in our Political Involvement Disclosure Policy.

[Read our Political Involvement Disclosure Policy here](#)

Campaigning for the causes that matter to our colleagues and customers

Our unique customer-led Ethical Policy is informed regularly by the views of our customers, who tell us the issues that matter most to them through our Values and Ethics Poll. In our last poll in 2021, protecting the environment was the most important issue that customers wanted us to act upon. This poll of approximately 50,000 customers mandates us to campaign for environmental change, which is why we are proud to support organisations like Zero Hour (the campaign for the Climate and Ecology Bill), to act on behalf of our customers and colleagues.

[Read our latest Ethical Policy here](#)

[For more information on our ESG Approach, please get in contact by clicking here](#)