

A man with glasses and a blue jacket is carrying a young child on his shoulders. The child is wearing a red vest and a green shirt. They are in a forest with tall trees and green foliage. The man is looking to the left, and the child is smiling and looking up.

Sustainability Report 2023

The **co-operative** bank
Ethical then, now and **always**

I am very proud to present The Co-operative Bank's Sustainability Report for 2023

After celebrating 150 years of ethical banking, and launching our updated Ethical Policy in 2022, it was important to all of us at The Co-operative Bank that we take steps to build on this momentum, and live up to our position as the original ethical bank.

Our most recent Values and Ethics Poll revealed that our customers have two main concerns. The first is social inequality, heightened this year by the challenges of the cost of living crisis, which has seen everyday costs increasing and a squeeze on household budgets. The second is climate change and the biodiversity crisis that our ongoing reliance on fossil fuels and the unsustainable use of natural resources continue to exacerbate.

In response to this we have established two new partnerships to address elements of these issues.

We're proud to have established a campaigning partnership with the housing and homelessness charity Shelter to campaign for fairer renting. Since 2017, our longstanding partnership with Centrepoin has made us a leading voice against youth homelessness. Over the next two years we're taking this to the next level by partnering with Shelter to bring about positive change for people in the UK facing housing insecurity, and to galvanise public support for a robust Renters Reform Bill.

The long-overdue reforms proposed by a robust Renters Reform Bill could transform renting for good by bringing an end to unfair evictions and unsafe housing. Our aim is to secure stronger rights for all renters. You can read more about this ground-breaking campaign on page 31.

Our second new partnership will see the creation of 1,000 green spaces across the country by building Friends of the Earth's network of Postcode Gardeners.

Protecting the natural world has been at the heart of our unique, customer-led Ethical Policy for over 30 years, and we're driven by our customers' concerns for biodiversity and the environment. Unfortunately, urban heating, pollution, flooding and biodiversity loss have all contributed to the UK's status as one of the most nature-depleted nations in the world. This is devastating for our ecosystems, and has a very real impact on people's mental and physical health. See page 24 for full details of this exciting project that will restore greenery and wildlife to the most nature-deprived areas of the country.

I'd like to extend my thanks to all of our customers, colleagues, suppliers and investors for giving our bank a mandate to stand up to make a difference on the issues that are important to you.



N.Slape

Nick Slape
Chief Executive Officer

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Progressing our sustainability agenda

Our environmental, social and governance commitments

In our 2022 Sustainability Report we set out ambitious environmental, social and governance commitments for the year ahead. So, how did we do and what are our next steps?

Our key environmental targets

In 2023 we said...	How did we do?
Scope 1 & 2: Reduce direct scope 1 & 2 emissions related to energy consumption by 6 % in 2023 with a Net Zero status by 2030.	After consistently reducing our reported Scope 1 & 2 emissions these metrics have increased in 2023. This was largely due to in-housing mortgage processes and opening office space to accommodate additional colleagues. We remain focused on reducing our Scope 1 & 2 emissions. Our commitments for 2024 can be found on page 5.
Scope 3: Develop a robust programme of work as we strive to decarbonise the Bank and achieve Net Zero status by 2050.	In 2023, we further developed our Net Zero programme by committing to include 100% of mortgage lending in our indirect Scope 3 emission reduction target. In addition we collated and assured our full emissions data across all scopes from the baseline of 2021 onwards for the first time. This data is published within this Sustainability Report and presents a significant step forward in the transparency of our greenhouse gas emission (GHG) disclosures.
Replenish nature-deprived spaces: Support the reversal of nature loss and improvement in biodiversity across the UK.	In 2023, we partnered with Friends of the Earth, the largest grassroots environmental campaigning community in the UK, to launch a joint Postcode Gardeners project. The project will bring greenery and wildlife to over 1,000 spaces. In 2024 we'll expand the project to more towns, cities and communities. Read more on page 24.
Increase recycling further: Aim to recycle at least 75 % of operational waste ¹ .	Although we did not achieve this target, the total waste produced through our operations decreased in 2023 and 73% of operational waste was recycled. This is slightly less than we achieved in 2022 at 74%, however, we did achieve our target of zero waste to landfill. Read more on page 10. Our challenge in 2024 and beyond is to re-engage colleagues on the types of waste that can be recycled with the aim of further increasing our recycling rate.
Support customer sustainability: Help our customers measure, manage and improve their sustainability.	As we look to support the UK transition to a low carbon economy, we have supported customers through three key focus areas: Understanding sustainability - We have developed resources and strategic partnerships to help our customers make more sustainable choices. Helping homeowners to reduce their home carbon footprint - Over 2,200 homeowners have engaged with our Home Energy Improvement Tool ² . Developed in partnership with the Energy Saving Trust, this online tool suggests improvements that could make homes more energy-efficient. Helping SMEs to measure, manage and improve their environmental impact - We have helped over 200 SMEs develop sustainability action plans which have saved 85 tonnes in CO2 and identified energy bill savings of around £100,000 ³ .
Introduce new 'green' mortgage products and increase the proportion of A or B Energy Performance Certificate rated property mortgage lending by 20 % year-on-year.	Increasing interest rates and affordability pressures have impacted mortgage borrowers in 2023. We have therefore focussed our efforts on supporting borrowers facing these challenges, while prioritising investment to deliver better and more robust customer service. As a result, we have delayed the launch of a range of Green Mortgage products. We remain committed to supporting the financing of energy efficient homes and improvements in the energy efficiency of existing housing stock. We acknowledge that there is a need for lenders, government and consumers to work co-operatively to develop more energy efficient homes.

1. Includes sites where the Bank has full control of waste management only.

2. Data metric is total visits to [Energy Saving Home Improvement Tool | The Co-operative Bank](#)

3. Data provided by Zellar.

Progressing our sustainability agenda

Our key social targets

In 2023 we said...	How did we do?
Campaign to transform the private renting sector: Protecting people at risk of homelessness.	In 2023 we partnered with Shelter to launch our campaign for fairer renting. Together, we are calling on the government to secure stronger rights for renters via the delivery of a robust Renters Reform Bill, that will transform private renting for good. Read more on page 31.
Investment in branches: Regeneration and relocation of some of our existing branches to support the communities in which they're located.	Following the successful relocation and renovation of our Nottingham branch in 2022, we relocated a further three branches in 2023, with another two closely following in January 2024. We are committed to investing in our branch network and will continue to review our locations to ensure we are able to better serve our customers.
Community support: Committing at least £30m lending to support businesses, organisations or co-operatives to improve our communities and the environment.	We have committed lending of over £30.9m through our Charity and Co-operative Lending Fund and our Renewable Energy Funding Scheme, providing businesses and organisations with the funding they need to develop their business or reduce their environmental impact.
Putting our values into action: Giving back to our communities by increasing colleague volunteering hours by 50%.	In 2023, colleagues exceeded our expectations by completing almost four times more volunteering hours in 2023 than they did in 2022. They spent 16,343 hours volunteering, which is a total of 2,335 days . This is equivalent to £332,808 of colleague time. The 2023 volunteering initiative was supported by a new partnership with the community and volunteering app, OnHand.

Our key governance targets

In 2023 we said...	How did we do?
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.	Our Charitable Fund has provided almost £1m of funding for key projects and initiatives in 2023, with oversight from our executive governance committee. This has supported our commitments to our planet, to people and to our communities, as detailed within this report.
Women in senior positions: Remain committed to our aspirational target to have 45% of senior positions filled by women.	We now have 43% women in senior roles. Despite falling slightly short of our aim, we have some exciting opportunities ahead and our determination remains strong in achieving a greater gender balance. We will continue to encourage and support women to develop their confidence in seeking progression opportunities alongside their male colleagues in 2024.
Training for all colleagues: Ensure that all colleagues, including Board and Executive Committee Members, undertake additional training in Environmental, Social and Governance related risks.	98% of all colleagues completed a new training module on Environmental, Social and Governance in 2023. The module will be updated annually going forward, to ensure colleagues are able to develop their knowledge and understanding of how ESG impacts our bank and their roles within it.

Progressing our sustainability agenda

Our 2024 targets and commitments

Environmental

In 2024 we will make strong progress against our Net Zero commitments as we strive to decarbonise the Bank and achieve Net Zero status by 2050.

Scope 1 & 2: We will reduce Scope 1 & 2 emissions by approximately 10% by:

- Reducing energy consumption by 6% from 2023 levels through optimising energy use across our branches and offices
- Ensure all electricity procured by the Bank is renewable (REGO backed or suitable comparable REGO alternative) by end of 2024
- Progressing our data management programme of work by delivering energy efficiency improvements throughout 2024.

Scope 1, 2 & 3: We will commence development of a robust Net Zero Transition Plan which will outline a pathway to Net Zero Greenhouse Gas Emissions that delivers real economy decarbonisation in line with our Net Zero commitments and Just Transition principles.

In 2024, we will increase biodiversity in 300 spaces across 12 sites as we work towards our long term target to replenish 1,000 nature-depleted spaces by the end of 2025. We'll do this with our partner, Friends of the Earth, by introducing community gardeners who will engage with at least 1,100 community members and 30 community groups.

We will continue to help our customers to understand the environmental impacts of their actions and become more sustainable by:

- Conducting customer research to understand how we can better support them with reducing their home emissions
- Working with strategic partners to help customers identify the actions they can take to become more sustainable
- Enhancing our online Sustainability Hub content to engage and inform customers on the actions they can take to reduce their carbon footprint or have a positive impact in their community.

In line with current work on Net Zero Transition planning, we will review our products and propositions offering to ensure they support our customers in their decarbonisation journey.

Social

We will amplify the voices of our customers with our campaign for fairer renting, which demands the transformation of the private rented sector to ensure safe and secure housing for all. We'll do this in partnership with Shelter, by calling for the introduction of a robust Renters Reform Bill, and will work with our customers to raise awareness and grow support for the campaign.

We'll demonstrate our support for registered charities, community interest companies and co-operatives, through increasing Community Directplus Accounts by 6% compared to 2023¹ and supporting them in their missions to drive positive change across our communities.

We will continue to give back to our communities by providing charities and community groups 2,000 days of support from colleagues through our volunteering programme.

Governance

The Co-operative Bank Charitable Fund commits a proportion of Bank profits to driving positive social and environmental change, whilst responding to the needs of our communities.

We aspire to have 45% of senior positions filled by women. In 2024 we will develop a new Diversity & Inclusion strategy that will aim to enhance our commitment to the Women in Finance Charter and broaden all aspects of our diversity commitments going forward, and set an end date to achieve our 45% target.

All colleagues will have at least one Environmental, Social and Governance related objective for 2024, helping to motivate and empower them to perform at their best, with a clear sense of direction in delivering against the ethical commitments in our customer-led Ethical Policy and ESG strategy.

1. Based on Q3 forecast for 2023 year end accounts.

Progressing our sustainability agenda

Our ESG ratings

Our commitment to the co-operative values and ethics on which the Bank was built over 150 years ago makes us a natural leader in Environmental, Social and Governance (ESG). Our unique, customer-led Ethical Policy defines how we do business and we regularly poll our customers, colleagues and stakeholders to ensure they have a say in how our business is run.

For the third year running, The Co-operative Bank has been rated as the UK's best Environmental, Social and Governance (ESG) rated high street bank by leading ESG risk rating agency, Sustainalytics.¹

In 2023, we also maintained our ratings from other ESG risk rating agencies, receiving an AAA rating from MSCI², and a Prime Rating of C with ISS, reinforcing our position as a leader in ESG.



Our responsible banking commitments

The Co-operative Bank is a signatory of the UN Principles for Responsible Banking

The programme brings together over 330 banks from across the globe to accelerate a positive global transition for people and the planet. With signatory banks representing over half of the global banking industry, the Principles are the world's foremost sustainable banking framework.

The Co-operative Bank has been a signatory to the UN Finance Initiative's Principles for Responsible Banking (PRB) since 2020. As signatories, we are committed to aligning our strategy and activities with the United Nation's Sustainable Development Goals (SDGs) and the Paris Climate Agreement. In line with UN requirements, we publish annual updates on our progress in implementing the principles on our website.

Using the PRB approach, we have identified two high impact areas, which it endeavours to monitor and address. These are Climate and Financial Health & Inclusion. While details of our action on climate are included in full in this report, we have

further developed our engagement with financial health and inclusion, the details of which can be found in the PRB report.

In particular, we have set targets for 2024 to further develop our financial health and inclusion capabilities, support charities, trade unions and co-operatives with our free Community Directplus Account, and review our impact in furthering financial inclusion by increasing take-up of digital access to banking services.



1. As of October 2023, The Co-operative Bank received an ESG Risk Rating of 8.5 from Morningstar Sustainalytics and was assessed to be at negligible risk of experiencing financial impacts from ESG factors. In no event should this Risk Rating be construed as investment advice or expert opinion as defined by the applicable legislation.

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2. Rated by MSCI with an ESG Risk Rating of AAA in 2023

Progressing our sustainability agenda

Alignment to the UN Sustainable Development Goals

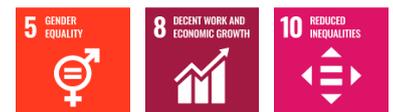
As signatories of the UN Principles for Responsible Banking, we are committed to aligning our strategy and activities with the United Nation's Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

The activities of our Bank can make an impact on all 17 of the Sustainable Development Goals. We have taken steps to consider the impact and influence we have on these goals within a framework of our impact on our planet, on people and on our communities. This exercise has identified the ten goals where we feel we can make the most positive contribution.



Our SME business accounts support employment generation in economically underperforming regions and they support female entrepreneurship.

Aligns to SDG targets 5.5, 8.3 and 10.2



We take part in Help-to-Buy schemes¹ and provide mortgages to individuals who are self-employed, contractors or entrepreneurs, as well as loans to accredited housing associations and co-operative housing providers registered in the UK. This helps to ensure access for all to adequate, safe and affordable housing.

Aligns to SDG targets 1.2, 10.2 and 11.1



We provide finance to local charities, social enterprises, non-profit organisations, foundations and philanthropic structures, which helps to provide socio-economic advancement and improvement for vulnerable populations.

Aligns to SDG targets 1.2, 3.8, 4.4 and 11.1



We provide financing to education, child care, healthcare and elderly care providers, helping them to improve access to their services for all.

Aligns to SDG targets 1.2, 3.8, 4.4, 8.3 and 10.2



We encourage the construction of buildings in an energy-efficient manner, reducing emissions and electricity consumption from non-renewable sources and fuels with the support of our Renewable Energy Fund and partnership with Zellar. We offer products to help our customers to undertake renovations that will result in at least a two notch improvement in Energy Performance Certificate (EPC) rating, helping to mitigate climate change through our Green Further Advances and utilising our Energy Saving Improvement Tool.

Aligns to SDG targets 7.3, 11.6 and 13.2



Our people policies promote equality and diversity within our workforce and support the physical and mental wellbeing of colleagues.

Aligns to SDG targets 3.4 and 5.5



1. Help-to-Buy schemes currently available include Wales and for Armed Forces personnel.

Our Environmental, Social and Governance Report



Environmental

Protecting the environment has been at the heart of our Ethical Policy since 1992.

We are pleased to report our indirect emissions for the first time, marking a significant step forward in our journey to achieve Net Zero.

Since 2007, we have offset our operational carbon emissions plus an additional 10% to address the impact of our business activities in the past. We will offset our 2023 emissions in line with this commitment. We continue to keep business travel to

a minimum, and our colleagues use public transport rather than cars for business travel wherever possible.

We have made commitments to decarbonise both our direct operations as well as focusing on indirect impacts. With our partner, Friends of the Earth, we are addressing the pressing issue of biodiversity loss by replenishing nature-deprived spaces across the country with a network of Postcode Gardeners. You can read more about this on page 24.

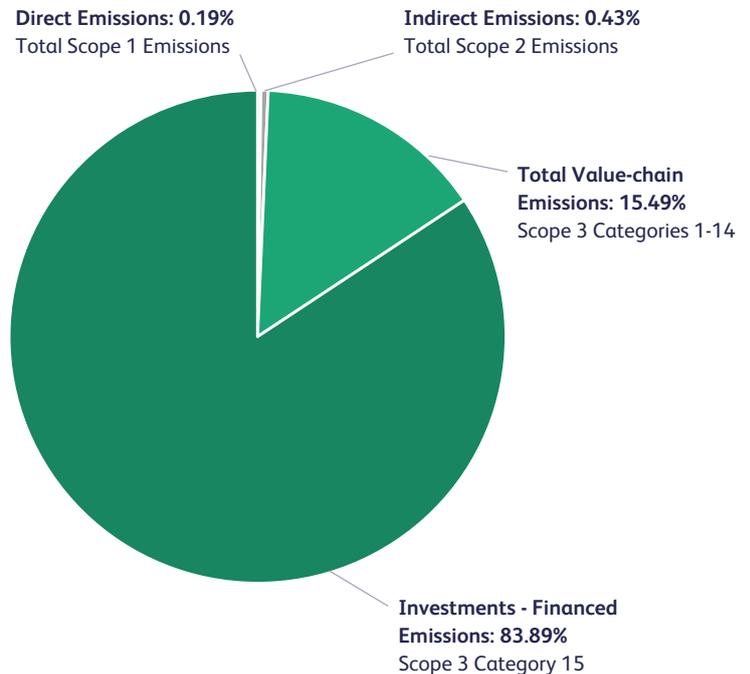
Our pathway to Net Zero

We have committed to aligning our Scope 1 & 2 direct emissions to Net Zero by 2030, and to transitioning our Scope 3 mortgage lending portfolios to align to Net Zero by 2050 at the latest.

For over 20 years The Co-operative Bank has refused to provide banking services to businesses whose activities contribute to global climate change or have negative social outcomes. Thanks to this divestment, it is mortgage lending that has the largest impact on our emissions. To support decarbonisation of this, our role will continue to focus on supporting the Net Zero transition of the UK housing sector and our customers' homes. We will continue to finance renewable energy activities and play our role in facilitating a just transition in the real economy through engagement with our customers and through offering products and services that support decarbonisation.

In setting our Net Zero targets, we have aligned to best practice as provided by the Net Zero Banking Alliance and Science-based Targets Initiative methodologies. Our targeted reductions across all three scopes will be consistent with a maximum temperature rise of 1.5°C above pre-industrial levels and will align with scenarios from credible, well-recognised sources.¹

In 2023 we continued to increase the transparency of our Net Zero journey. We are furthering this by disclosing the entirety of our emissions inventory, across Scopes 1, 2 and 3 emissions, within this report for the first time. The full table of this information since our baseline year of 2021 can be found on page 41. We have also continued to work on understanding the changes we need to make to deliver reductions across our significant emission sources. Our commitment for 2024 is to commence development of a Transition Plan to demonstrate the details of the approach we need to take in order to achieve our Net Zero ambitions.



Our environmental reporting

We have made disclosures in line with the Climate Related Financial Disclosures recommendations in our 2023 Annual Report and Accounts. This includes more detail on how we consider climate change and the environment in strategic and financial planning, risk management and governance.

2023 Annual Report and Accounts



1. See Appendices, page 42

Our Environmental, Social and Governance Report

Our Environmental Data¹

Scope 1, 2 & 3 Greenhouse Gas Emissions by Source¹

Source of Emissions	tCO ₂ e				
	2023 ⁽⁶⁾	2022	2021	2020	2019
Total Scope 1 Emissions ⁽²⁾	684.7	592.3	968.9	1,075.0	1,188.0
Total Scope 2 Emissions ⁽³⁾	1,541.6	1,574.7	2,181.3	2,786.0	5,811.0
Total Scope 1 & 2 Emissions	2,226.3	2,167.0	3,150.2		
Total Scope 3 Emissions ⁽⁴⁾	358,422.0	360,717.5	371,213.4		
Absolute Emissions (Total Scope 1, 2 & 3)	360,648.3	362,884.5	374,363.6		
Carbon Intensity (kgCO ₂ e/FTE) ⁽⁵⁾	109,122.0	131,567.3	152,676.8		
Carbon Intensity (kgCO ₂ e/£Revenue)	0.70	0.74	1.07		
Energy Intensity (kgCO ₂ /kWh)	35.9	33.0	25.5		

Our total Scope 1, 2 & 3 emissions have reduced year on year since our baseline year of 2021.

We are delighted to share our Scope 3 financed emissions data for the first time in this report. Scope 3 includes indirect carbon emissions for which the Bank has no direct control. The largest contributors to our Scope 3 emissions are from our mortgage lending and purchased goods and services (supplier and contractor emissions).

Our target date for aligning to Net Zero on our Scope 3 emissions is 2050.

The combined absolute total emissions data for Scopes 1, 2 and 3 over the last three years reflects a downward trend. We recognise that achieving a continued reduction in these emissions will require engagement with government, lenders and our mortgage customers to develop energy saving programmes, as well as engagement with our suppliers. By commencing development of a Transition Plan in 2024, we will start outlining the details of the programmes that will deliver lasting carbon reductions in line with our ambitions.

Carbon Intensity measures show trends in the impact of carbon emissions in relation to the activities of the business. It is a recognised method of illustrating a business' carbon impact in comparison with similar businesses of different sizes and scales. These measures will become key indicators as we continue our work to decarbonise our bank.

After consistently reducing our reported Scope 1 & 2 emissions, these metrics have increased in 2023. These are the emissions that arise from our operations and which are therefore under our direct control, including energy use. The increase this year was largely as a result of in-housing mortgage operations. Around 400 additional colleagues joined the Bank and we reopened office facilities to accommodate them.

Our target for aligning to Net Zero on Scope 1 & 2 emissions is 2030. We are focused on reducing these emissions in line with our ambitions to meet this target through energy reduction, colleague behaviour change and a programme of energy efficiency investments.

A more detailed emissions table showing emissions across all Scope 3 categories is available in the Appendices (page 41).

- 1 Only 2021, 2022 and 2023 data has been verified by SGS, an independent 3rd party who provide assurance over ESG metrics.
- 2 Scope 1 emissions are calculated using the sum of direct natural gas consumption through our operations (fuel combustion), F-gas losses (refrigerant leaks) that occur through standard use and emergency backup generator use.
- 3 All scope 2 data within this table is location-based) Scope 2 emissions are made of total electricity consumption across the business. Total electricity consumption GHG emissions are calculated using a location-based methodology. They are calculated using the UK average GHG emissions figure (conversion factor), as published by the Department for Energy Security and Net Zero. Up until 1st October 2023, all electricity sourced directly by The Co-operative Bank was REGO backed renewable electricity. For electricity procured directly by The Co-operative Bank from 1st October 2023 onwards as well as locations not included in the direct supply due to inclusion in landlord service provision, a market-based approach assuming a non-renewable electricity source is used to calculate GHG emissions from these locations. Renewable electricity is zero rated for carbon offsetting, therefore all electricity purchased directly by The Co-operative Bank prior to the 1st October 2023 is excluded from the offsetting calculation.
- 4 NZBA and SBTi methodology states that a baseline year must be chosen in order to calculate Net Zero targets according to a 1.5C scenario. As 2021 was chosen as our baseline year, full GHG emissions for years prior are not calculated and are not relevant to the overall pathway as Net Zero focusses on decarbonisation of existing operations rather than historical offsetting.
- 5 Calculated using the average number of full time equivalent (FTE) employees for each year.
- 6 To ensure that 2023 Scope 3 emissions data could be verified by SGS ahead of reporting, our 2023 figures are based on Q1-Q3 actual data and Q4 estimates. The data for the final quarter is assured as part of the next assurance works and re-stated in the following Sustainability Report as required, allowing timely and accurate reporting of the Bank's impact.

Our Environmental, Social and Governance Report

Additional environmental metrics and targets

Zero waste to landfill

In 2020 we achieved 'zero waste to landfill' for the first time and have maintained this status in subsequent years, including 2023^{1,2}. Alongside this commitment is our continuous journey to increase the percentage of operational waste we recycle.

73% of operational waste was recycled in 2023, slightly less than we achieved in 2022 at 74%. However, we did produce 3 tonnes less waste in 2023, which is equivalent to the weight of 300,000 plastic bottles.

Our challenge in 2024 and beyond is to re-engage colleagues on the types of waste that can be recycled, so that recyclables don't end up in general waste, while exploring alternative recycling streams that could further increase our recycling rate. We will support our colleagues throughout 2024 to help them to reduce, reuse and recycle more of their everyday waste.

Office paper use

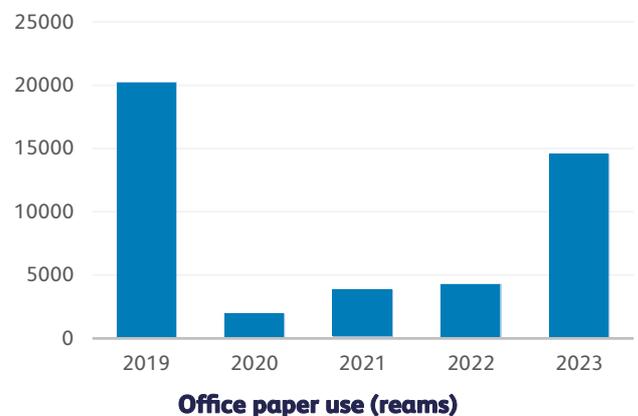
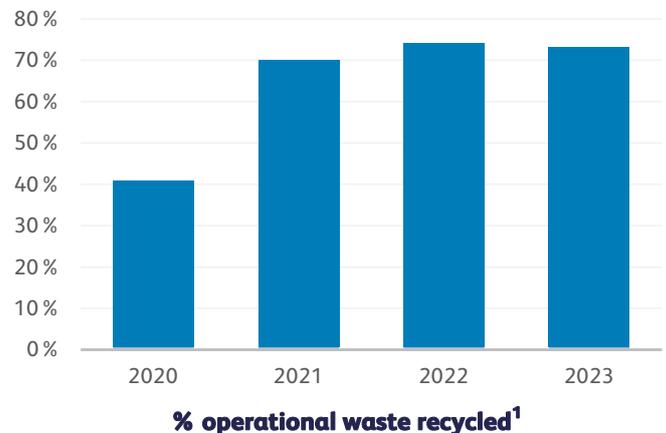
Office paper use is creeping back up towards pre-pandemic levels as colleagues spend more time in the office. We've also in-housed processes from third parties that are paper intensive. While we don't expect to be able to reduce paper use back to 2020 levels, we will continue to work with colleagues to moderate their use of paper in 2024 and beyond, supported by the introduction of new collaborative working tools.

Direct procurement of electricity from renewables

In previous reports we've stated that 100% of the electricity purchased directly by The Co-operative Bank has come from renewables. From September 2023, our electricity supplier was no longer able to provide the recognised Renewable Energy Guarantees of Origin (REGO) certificates to verify that electricity supplied was generated from renewable sources and therefore, despite our best efforts, we are unable to make that claim for 2023.

Electricity consumption in 2023 that was not included in a REGO backed supply agreement has been assumed to be from a non-renewable electricity source. It has been included within our GHG emissions reporting and will be offset. The percentage of electricity directly procured by the Bank in 2023 that came from a certified renewable source is 69%.

We remain committed to purchasing electricity from renewables and our supplier's decision to withdraw from the REGO backed market was out of our control. We will be switching to a supplier that meets these requirements in 2024.



Lending to the renewable energy sector

The value of our lending to the renewable energy sector has reduced year on year as historical loans have been repaid through a legacy portfolio.

We are pleased to be able to support businesses and homeowners in the decarbonisation of buildings through our portfolio of products and services. You can read more about how we are helping our customers to make sustainable choices on page 22.

¹ Includes sites where the Bank has full control of waste management only.

² Our Zero Waste to Landfill commitment requires 99% waste diversion away from landfill due to a legal requirement that certain types of waste must

Our Environmental, Social and Governance Report

Carbon offsetting - beyond carbon neutral ¹

Source of emissions	tCO2e
Scope 1 - Fuel combustion	478
Scope 1 - Refrigerant leakages	207
Scope 2 - 'Non-renewable' electricity consumption ²	837
Scope 3 - Business travel	123
Offset to be carbon neutral	1,645
Plus 10% for past activity	164
Offset to be beyond carbon neutral	1,810

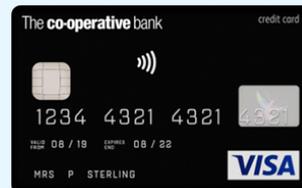
Since 2007 we have offset our operational carbon emissions (Scopes 1 & 2 plus business travel) plus an additional 10% to address the impact of our business activities in the past. This means we are beyond carbon neutral for our operational greenhouse gas emissions.

We will offset 1,810 tCO2e of our 2023 emissions in line with this commitment during 2024. See page 21 for details of the projects we supported through offsetting our 2022 operational emissions³.

PVC-free credit and debit cards



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. 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.



1 This data or calculation has not been verified by SGS.
 2 Equal to market-based Scope 2 emissions i.e. emissions from electricity not procured from renewable sources.
 3 While we have reported the amount of carbon we will offset for our 2023 emissions, we are unable to confirm details of the projects this offsetting will support due to the timing of the publication of this report. We'll provide these details in our Sustainability Report 2024.

Our Sustainability Checklist

Environment

Environment - Preparedness		
Environmental Policy	✓	Our Ethical Policy outlines the Bank's commitments to protecting the environment alongside our Environmental and Biodiversity Policy .
Green Procurement Policy	✓	We continue to assess existing suppliers against our Sustainable Procurement and Supplier Policy , which reflects the Bank's Ethical Policy .
Credit and Loan Standards	✓	Each business account application is screened against our customer-led Ethical Policy . Those whose activities conflict with our Ethical Policy statements are not accepted as business customers and are not eligible for a loan or credit facility.
Scope 1 & 2 GHG Reporting	✓	Scope 1 & 2 emissions are reported in line with Greenhouse Gas Protocol Corporate Standards and Climate-related Financial Disclosures (CFD) .
Scope 3 GHG Reporting	✓	Scope 3 emissions, including Category 15 Financed Emissions, have been reported for the first time within this report.
GHG Reduction Programme	✓	We are developing a Net Zero transition plan that includes Scope 1, 2 and 3 emissions. This includes a programme to reduce GHG emissions across our operations. Our reporting is on page 9 of this report and our targets are set out on page 5.
Renewable Energy Programmes	✓	We support renewable energy programmes through our sustainable financial initiatives.
ESG Integration	✓	We are working to develop an ESG Risk management framework that will support efforts to fully embed the consideration of environmental and social risk assessments in our day-to-day financial processes, as well as highlight clear managerial responsibility for ESG Risk. As this progresses, in 2024 we will benefit from enhanced due diligence of our highest ESG-risk loans, engage further with external stakeholders on ESG issues and will be able to conduct regular internal audits of the ESG Risk programme.
Environmental Management System Certification	✗	We are working towards implementation of an EMS with appropriate certifications.
Environment - Quantitative Performance		
Carbon Intensity and Trend	✓	Our carbon intensity (kgCO ₂ e/FTE and kgCO ₂ e/£Revenue) across Scope 1, 2 and 3 has been calculated from a base year of 2021 and shows a downward trend. Details are outlined on page 9.
Sustainable Financial Initiatives	✓	Since 2007 we've been supporting and lending to small, localised hydro and wind farms, the majority being in the North of England and Scottish Isles. In 2023 our lending to the renewable energy sector stood at over £5.4m.
Renewable Energy Use	✗	Up until October 2023, 100% of the electricity we bought directly was sourced from renewables. However, our energy supplier has discontinued their REGO offering, which has meant the Bank could no longer ensure that energy procured was sourced from renewables. Work is underway to address this in 2024.

Key: ✓ We're in a good position on this metric. ✓ We're making progress but still have some work to do. ✗ This is an area for development.

This checklist is aligned to areas of interest to ESG ratings agencies. Within our business we monitor these metrics alongside many other key data points.

Our Environmental, Social and Governance Report



Social

Co-operative principles remain at the heart of our business and we strive to demonstrate co-operative values in everything we do.

As a national brand, we recognise our wider impact within UK society and work in partnership and co-operation with charities and community organisations to drive positive social change.

This table sets out some of our positive social impacts, such as our charity and volunteering activity (read more on page 36), our business support for charities and co-operatives and the additional support we've offered to customers in 2023.

	2023	2022	2021	2020	2019
Total charity donations ¹	£1,567,598	£1,126,402	£1,105,583	£1,564,783	£997,996
No. co-operatives that bank with us ^{1,2}	1,164	1,130	907	787	805
No. charities that bank with us ¹	3,470	3,619	3,891	4,128	4,416
No. credit unions that bank with us ¹	137	142	157	163	194
Support for the co-operative movement through funding of the Business Support for Co-ops programme (formerly The Hive) ¹	£400,000	£400,000	£400,000	£625,000	£158,700
Supporting our local communities through colleague volunteering ^{1,3}	16,343 hrs	4,170 hrs	1,980 hrs	611 hrs	4,759 hrs
% of colleagues who have taken part in a volunteering activity ^{1,3}	51%	18%	10%	4%	27%
Number of customers we've helped to buy their first home	1,959	3,178	6,403	4,209	3,304
Number of customers supported through our partnership with Citizens Advice	818	751	566	536	418

Supporting our business customers

We are proud to look after the banking needs of **94,020** small and medium sized businesses (SMEs).

In 2023 our Business Support team has continued to provide dedicated support to business customers facing financial difficulty. The team provide information on how to spot the early warning signs of financial stress and manage cash flow challenges, as well as signposting to additional support. Given the challenging economic climate, we've continued to proactively reach out to customers who are showing the early warning signs of financial difficulty.

We have continued to support customers who took a Bounce Back Loan during the Covid-19 pandemic. By the end of 2023, 18% of our Bounce Back Loan customers had repaid their loan in full, and we had supported 2,702 customers (25% of all Bounce Back Loan customers) with Pay As You Grow options to provide flexibility with their repayments. We'll continue to support these customers and will help them deal with their loan repayments when facing financial challenges.

Contribution to national wealth

Our contribution to the national wealth, or 'economic value generated and distributed', in 2023 was **£465 million**. Of this, our community investment was over **£1.5 million**. Economic value is distributed as salaries to employees, donations to charitable causes, and, if relevant, profit and reserves to our owners.

£465m
economic
value

£1.5m
community
investment

1. Only 2021, 2022 and 2023 data for these KPIs has been verified by SGS.

2. In 2022 the definition of a co-operative was expanded to include more organisations that are a member of Co-operatives UK.

3. Opportunities for corporate volunteering were impacted by Government restrictions due to COVID-19 in 2020 and 2021.

Our Sustainability Checklist

Social

Social - Disclosure		
Gender Pay Disclosure	✓	See our Women in Finance Charter progress and Pay Gap Report and page 27 of this report.
Systemic Risk Reporting	✓	See our 2023 Annual Report and Accounts .
Social - Preparedness		
Freedom of Association Policy	✓	We recognise the right of our employees to freedom of association and welcome trade union membership. See page 14 of our Ethical Policy for details.
Discrimination Policy	✓	Our Prevention of Bullying, Harassment, Discrimination, and Victimisation Policy is available to all colleagues and is aligned to the Equality Act 2010.
Diversity Programmes	✓	Our colleague inclusion networks promote diversity within our organisation. We include our ethnicity pay gap within our annual Pay Gap Report.
Gender Pay Equality Programme	✓	Our mean gender pay gap has continued to improve and now sits at 22.8% (down from 25.0% in 2022) whilst our median gender pay gap has also improved and now stands at 18.1%. Read our 2023 Women in Finance Charter progress and Pay Gap Report for details of our Gender Pay Equality programme.
Human Capital Development	✓	Formal performance management processes include succession planning and development metrics which are reviewed by the management team.
Scope of Social Supplier Standards	✓	Read page 9 of our Ethical Policy for details of our Sustainable Procurement and Supplier Policy.
Supply Chain Monitoring	✓	Read page 9 of our Ethical Policy for details of how we work with suppliers to manage our environmental impact.
Responsible Marketing Policy	✓	We practice responsible marketing and formalised this by publishing a Responsible Marketing Policy. See page 89 of our Environmental, Social and Governance Business Approach 2023 document.
Data privacy & security policy	✓	Read our Privacy Policy and information on the use of customer data .
Data Privacy Programme	✓	We have robust policies and training on data privacy management and data protection. See page 93 of our Environmental, Social and Governance Business Approach 2023 document.
Data request management	✓	The Co-operative Bank abides by all relevant data protection legislation. See page 94 of our Environmental, Social and Governance Business Approach 2023 document.
Cybersecurity programme	✓	We work continually to make our customers' banking experience as safe and secure as possible . The Bank has achieved ISO 27001 certification from the British Assessment Bureau for the facilitation of internal cyber security services for corporate infrastructure, inclusive of server architecture, endpoint management, firewalls, and systems internally managed for the delivery of core services. See page 83 of our Environmental, Social and Governance Business Approach 2023 document.
Financial Inclusion	✓	Our range of current accounts is financially inclusive and we provide support for customers facing financial difficulty .
Systemic Risk Management	✓	Systemic Risk Management is detailed in our Annual Report and Accounts .
Social - Quantitative performance		
Collective Bargaining Agreements	✓	We work co-operatively with our recognised trade union, Unite. Find out more on page 28 of this report.
Employee Turnover Rate	✓	Avoidable attrition in 2023 (excluding dismissals, retirements, redundancies) is 9.59%.
Employee training	✓	Along with mandatory regulatory training, tools are available for colleagues to progress their personal development and career ambitions. See pages 28 & 29 of our Environmental, Social and Governance Business Approach 2023 document.
Activities in Sensitive Countries	NONE	The Co-operative Bank has no activity in high risk industries in sensitive countries.

Our Environmental, Social and Governance Report



Governance



ESG Governance

Co-operative values and our Ethical Policy are incorporated into the Bank's Articles of Association, establishing them at the heart of our constitution.

The Board level Values and Ethics Committee continues to provide oversight and governance of the Bank's ESG and ethical activities. With input from the Executive Committee, the Values and Ethics Committee reviews our ESG reporting. The recommendations of the Financial Stability Taskforce on Climate-related Financial Disclosures (TCFD) are implemented into our Annual Report and Accounts with oversight from our Audit Committee.

You can read the chair of the committee's report for 2023 in our Annual Report and Accounts.

Since 2022 Executive pay has been linked to delivery of our ESG commitments. Specific ESG performance measures form part of our bank-wide scorecard to which all colleague remuneration, including executives, is linked.

Non-customers continue to view The Co-operative Bank as the UK's top ethical banking brand¹. The governance and oversight structure we implement, with the help of our Values and Ethics Committee, is key to this.

Governance of our Ethical Policy exclusions

At the core of our Ethical Policy are statements on the business activities we will not support through our banking services. These statements fall under our planet, people and community pillars. Our business account and services

application journeys include a detailed questionnaire to determine if there may be a conflict with the policy. See page 19 for details of the accounts we have declined in 2023.

	2023	2022	2021	2020	2019
Total number of business current accounts opened	8,857	8,703	12,606	12,116	7,473
Total number of applications referred for further Ethical Policy screening (see page 19 for more information) ²	258	233	328	438	223
Total number of applications declined due to a conflict with the Bank's Ethical Policy	9	8	10	21	4

Our Statements and Policies

Modern slavery and human trafficking statement

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

[Click here to read our Modern Slavery commitments](#)

Freedom of association

We formally recognise the trade union Unite and work closely with them to ensure the voice of our colleagues is heard. We take a proactive approach to understand the needs of our colleagues and their members.

Anti bribery and corruption policy

The Bank has a 'zero tolerance' stance on bribery and corruption, and the policy is included within the Bank's Code of Conduct. All colleagues must complete training on the code of conduct once a year and confirm their understanding of the requirements within the policy.

Taxation policy

We are signatories to the HM Revenue and Customs Code of Practice on Taxation for Banks and are committed to ensuring that nothing in our tax affairs is contrary to UK tax legislation.

[Read our Tax Strategy here](#)

1. Q4 2023 non-customer ethical perception score of 20%. Ranked 1st in a survey of 10 major retail banks with a 3% gap to the 2nd place bank, which has a score of 17%.
 2. Only 2023, 2022 and 2021 data for these KPIs has been verified by SGS.

Our Sustainability Checklist

Governance

Governance		
Tax Disclosure	✓	This is included within our 2023 Annual Report & Accounts .
ESG Reporting Approach	✓	We are committed to reporting annually on our values, ethics and sustainability performance within our Sustainability Report and Annual Report & Accounts.
Verification of ESG Reporting	✓	Selected data in this report have been assured by SGS. These are indicated in the tables. The assurance statement is on page 47.
Governance — Preparedness		
Anti-Bribery and Corruption Policy and Programmes	✓	We are committed to acting with integrity and fairness in all our business dealings and commercial relationships. Our Anti-bribery and corruption policy outlines our zero tolerance approach.
Whistleblower Programmes	✓	Our comprehensive Concern at Work (Whistleblowing) policy is available to all colleagues.
Business Ethics Programme	✓	Our Ethical Policy outlines our commitments to co-operative values and ethics, while our Board-level Values and Ethics Committee delivers enhanced governance and accountability. See page 15 of this report for more information.
Responsible Investment Policy and Programme	✓	Every business account application is screened against our customer-led Ethical Policy . We refuse banking services to businesses whose activities conflict with our customer's views on key issues, including the environment and human rights.
UNEPFI Signatory	✓	We became a signatory of UN Environment Programme Finance Initiative Principles for Responsible Banking in February 2020.
Corporate Finance Programme	✓	Every business account application is screened against our customer-led Ethical Policy . We refuse banking services to businesses whose activities conflict with our customer's views on key issues, including the environment and human rights.
Responsible Product Offering	✓	We offer responsible products and services, as indicated on page 13 of our Ethical Policy and on page 22 of this report. Our Green, Social and Sustainability (GSS) Financing Framework connects our values and ethics with our wholesale market financing strategy. This framework facilitates secured and unsecured wholesale funding of assets with clear environmental or social benefits that contribute to the UN Sustainable Development Goals and demonstrates our commitment to ESG and sustainable finance.
Anti-Money Laundering Policy	✓	Colleagues undertake annual training on our Anti-Money Laundering Policy. See our Financial Crime Policy overview for details.
Compliance Programme	✓	Internal processes are in place to govern all areas of regulatory compliance, in line with FCA and PRA requirements.
ESG Governance	✓	Our board level Values and Ethics Committee delivers enhanced governance and accountability, see page 15 for more information.
ESG Performance Targets	✓	Our ESG performance targets have been agreed by the Board and from 2022 Executive pay has been linked to delivery of our ESG commitments.
Political Involvement Policy	✓	The Co-operative Bank is politically neutral and has a Political Involvement Disclosure Policy .
Lobbying and Political Expenses	None	The Co-operative Bank is politically neutral and has a Political Involvement Disclosure Policy .

Key: ✓ We're in a good position on this metric. ✓ We're making progress but still have some work to do. ✗ This is an area for development.

This checklist is aligned to areas of interest to ESG ratings agencies. Within our business we monitor these metrics alongside many other key data points.

Our 2023 Highlights



Friends of the Earth

We joined with Friends of the Earth to bring back nature. Over the coming years, our Postcode Gardeners will help to restore greenery and wildlife in over 1,000 nature-deprived spaces.



We were one of only three banks labelled as an Eco Provider by consumer champion Which?



2,335 days volunteered

51% of our colleagues volunteers in their local communities.



SUPPORTING FAIR AND ETHICAL BUSINESS TOGETHER

CO-OPERATIVES UK The co-operative bank

2,181 Co-operative groups supported so far



Together with our customers, we donated and raised over

£1.5 million

for charity in 2023



We launched our campaign with Shelter to transform the private rental sector. We're urging the government to pass a robust Renters Reform Bill and protect those at risk of homelessness.

258

businesses subject to enhanced screening

9

businesses declined banking services

We continued to refuse banking services to businesses whose activities conflict with our Ethical Policy.



We championed an inclusive society by supporting Pride events in Manchester and Stoke-on-Trent.



In 2023, The Co-operative Bank was recognised by Morningstar Sustainability as an ESG Industry Top Rated and Regional Top Rated company¹.



1. As of October 2023, The Co-operative Bank received an ESG Risk Rating of 8.5 from Morningstar Sustainability and was assessed to be at negligible risk of experiencing financial impacts from ESG factors. In no event should this Risk Rating be construed as investment advice or expert opinion as defined by the applicable legislation. Copyright 2023 Morningstar Sustainability. All rights reserved. This publication contains information developed by Sustainability (www.sustainability.com). Such information and data are proprietary of Sustainability and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainability.com/legal-disclaimers>.

Our values and ethics in action

Our commitment to co-operative values and ethics has been fundamental to our bank since it was established in 1872 and it continues to 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 a policy of this kind.

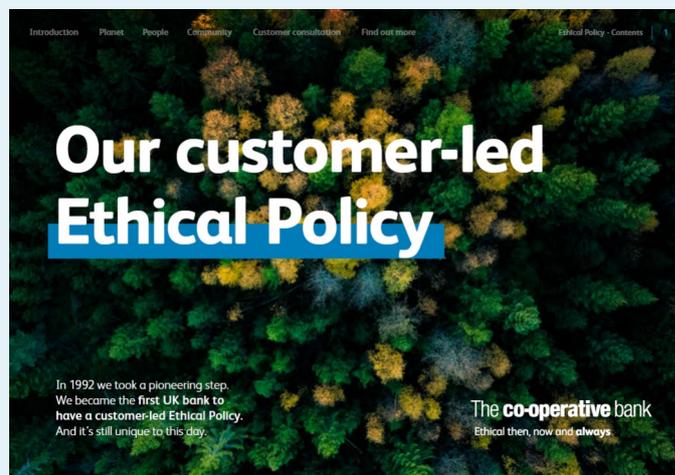
We regularly ask our customers to tell us about the things that matter to them and which issues they want us to take action on, updating our Ethical Policy to reflect their views.

In 2021 we conducted our sixth Values and Ethics Poll, which asked our customers to share their views on a range of issues including the environment, poverty and inequality, human rights and animal welfare. 47,177 customers, colleagues and stakeholders participated in the 2021 poll.

Our customers have always been ahead of thinking on ethical issues and we believe this remains the case today. Their responses to the latest poll informed the 2022 update to our Ethical Policy, bringing together a cumulative total of over 370,000 customer responses since 1992 in the latest iteration of our Ethical Policy. It was a timely update to the Ethical Policy, released in the year that we marked our 150th year of ethical banking.

Informed by those responses, our Ethical Policy is built on the three pillars of **Planet, People** and **Community**. This reflects the issues that our customers told us mattered to them most and confirms our shared commitment to protect the environment, campaign for change and build a more sustainable society.

83% of customers told us that our Ethical Policy is a key reason they bank with us. Our updated Ethical Policy ensures we remain aware of the issues our customers care about as they change over time, whilst remaining true to the co-operative values on which our bank was founded in 1872.



[Read our Ethical Policy](#)



Our co-operative brand values reflect how we do business, rather than our ownership. Although the ownership of The Co-operative Bank changed in 2017, our commitment to the co-operative values and principles on which we were built remains as strong as ever, with ESG principles embedded within the business every day.

An important element of our Ethical Policy is our commitment to report annually on our how we have delivered against our values and ethics and the key decisions we take under our Ethical Policy. The following pages contain this report.

Implementing our Ethical Policy

Every business application is screened against our Ethical Policy

Since 1992, when we launched our Ethical Policy we have ensured that all new and existing business customers complete an Ethical Questionnaire as part of the application process for a new account or service.

Customers are screened based on their responses to make sure we are not providing banking services to any business whose activities conflict with our Ethical Policy. In 2023, 258 businesses were referred for enhanced screening and as a result, nine applicants were not accepted as Co-operative Bank customers.

Number of customers referred for further screening by issue

In 2023, business customer applications were referred for enhanced screening for the following reasons. Our 2022 figures are shown in brackets for comparison.



No. of customers referred for screening by issue	Referrals 2023 (2022)	Declines 2023 (2022)
Labour standards and human rights	139 (117)	3 (1)
Social inclusion	6 (0)	0 (0)
Irresponsible payment of tax	0 (1)	0 (0)
Irresponsible gambling	10 (15)	1 (1)
Irresponsible marketing	3 (4)	0 (0)
Protecting the environment:		
Climate change	11 (15)	3 (6)
Chemicals	2 (4)	0 (0)
Waste	0 (0)	0 (0)
Biodiversity	39 (28)	2 (0)
Protecting animal welfare	45 (47)	0 (0)
Other	3 (2)	0 (0)
Total	258 (233)	9 (8)

Human rights:

We declined banking services to a clothing company that was unable to demonstrate adequate policies to protect the rights of garment workers in developing countries.

We also declined a media organisation whose content was considered to incite hatred towards a section of the community and a company working with organisations that are part owned by the government of an oppressive regime.

Climate change:

We declined banking services to three businesses involved in the oil and gas sector whose activities were considered to be in conflict with our Ethical Policy statement on the exploration, extraction and production of fossil fuels.

We also declined two businesses whose activities were considered to have a negative impact on biodiversity and the environment.

Irresponsible gambling:

One business was declined for failing to protect customers engaged in gambling activities.

Managing customer risk

Our Risk Policy requires the closure of accounts for risk related issues, such as when customers are involved in or receive profits from organised crime or illegal activities such as the sex trade, drugs or human trafficking, as well as where there are regulatory requirements. In 2023 we closed 674 customer accounts (502 in 2022) due to risk related issues, including suspicion of money laundering and failure to provide documentation to satisfy Customer Due Diligence requirements.



**We are
planet savers**

What we do for the Planet

Sustainability and environmental protection have been at the heart of our customer-led Ethical Policy for over 30 years. We are committed to sustainable business practices - in our own operations, actions and decisions, and by helping our personal and business customers to make more sustainable choices.

We seek to operate in ways that minimise further environmental harm. We take actions that measurably improve biodiversity and the environment and support organisations that make a positive impact on the environment.

We're operationally beyond carbon neutral

We are proud to have 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 2023. This is **1,810 tonnes CO₂e** (1,640 tonnes + 10%), comprising our Scope 1 and 2 emissions plus business travel. To meet our 'beyond carbon neutral' goal, our offsetting programme provides finance to projects that are reducing emissions and 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 2022 emissions supported the amazing Kulera REDD+ and Cookstoves project in Malawi.

Kulera REDD+ and Cookstoves, Malawi – Through a combination of forest protection and distribution of clean cookstoves, the project delivers approximately 210,000 tonnes of emission reductions each year, protects an important area of biodiversity value, and addresses the health risks of indoor air pollution. It targets the conservation of about 170,000 hectares of forest and works with 45,000 households to reduce the use of wood fuel, develop sustainable livelihoods, increase community resilience to climate change and protect biodiversity.

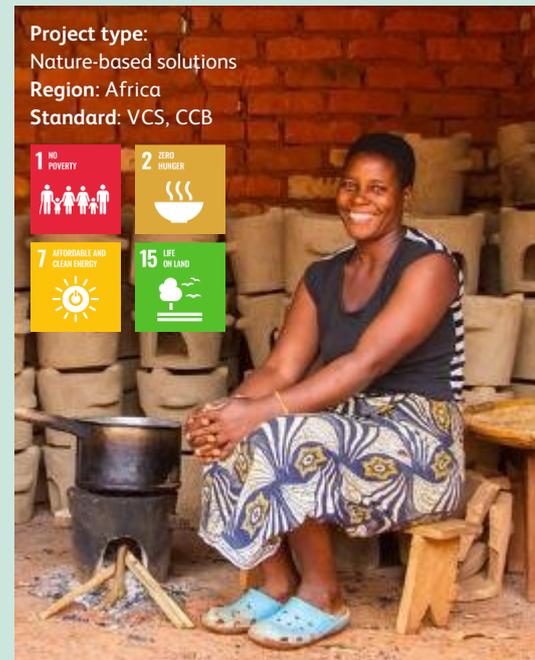
The project delivers a number of other sustainable development benefits, including:

No poverty: Developing local enterprises based on sustainably harvested forest products such as honey, coffee and macadamia to transform livelihoods away from subsistence.

Zero hunger: Distributing livestock as an important source of protein for farmers, including training on feeding and veterinary care.

Affordable and clean energy: Delivering a fuel-efficient cookstove to every household in the project zone and planting trees as an alternative source of fuel wood.

Life on land: The project area has a High Conservation Value since it surrounds three wildlife reserves/national parks which contain some of the largest amounts of forest in the country. The project looks to address unsustainable land use caused by mounting population pressures.



Project type:
Nature-based solutions
Region: Africa
Standard: VCS, CCB



Our responsible business

In 2022 we joined the growing community of businesses that use **Ecosia** as the default search engine on all colleague laptops. Ecosia use the profits from searches to plant trees in the areas around the world where they're needed most. Colleague volunteering also contributes to tree-planting activities through our use of the **OnHand** app. You can find out more about this on page 36.

We've also continued to reduce our impact on the environment by reducing waste, reusing materials and

recycling. In 2020 we introduced our zero waste to landfill strategy. We have maintained our zero waste to landfill status since then for operational waste across all sites where we have full control of waste management*. In 2023, colleagues from across our branches and offices recycled **73%** of waste, with the remaining 27% sent to energy recovery facilities. This is an amazing improvement on our starting year in 2020, when only 41% of waste was recycled.

* The Bank defines 'zero waste to landfill' as 99% of all operational waste being recycled. Certain categories of waste are legally required to go to landfill.

What we do for the Planet

Helping our customers to make more sustainable choices

Understanding sustainability

Many of our customers are developing their approach to reducing their environmental impact and understanding what it could mean for them. During 2023 we have continued to develop our 'Sustainability Hub', providing engaging information and tips to help our customers make more sustainable choices. We have also worked with strategic partners to pilot a webinar that introduced over 100 business customers to tools that can support them in understanding the environmental impact of their business and how they can make small changes, to become more sustainable, whilst also reducing business costs.

Helping homeowners to reduce their home carbon footprint

The UK has some of the oldest and least energy-efficient housing stock in Europe, so improving the energy efficiency of

our customers' homes is of strategic importance. In 2023 over 2,200 homeowners have engaged with our Home Energy Improvement Tool, developed in partnership with the Energy Saving Trust. The tool gives customers a tailored action plan of improvements that could make their home more energy efficient.

Helping SMEs to measure, manage and improve their environmental impact

In partnership with Zellar we have helped over 200 SMEs develop a sustainability action plan which has enabled them to save 85 tonnes in CO₂, identify energy bill savings of c£100,000 and log 600 hours of volunteering¹.

[Find out more about Zellar](#)



The Bank you can hold to account

In October we were proud to be one of only three banks labelled as an Eco Provider by consumer champion Which?²

Having examined the environmental policies of 13 of the UK's leading current account providers, Which? noted that we have no exposure to fossil fuels in our banking activities and set high ethical standards for the SME businesses we offer services and finance to.

Our longstanding policy to exclude firms involved in the exploration, extraction or production of fossil fuels, as well as those involved in the unsustainable harvest of natural resources was viewed positively.

Contributing to a circular economy

In 2023 we were delighted to reoccupy Newton House in Leek following an operational restructure and took the opportunity to flex our eco-credentials in the process.

We replaced the building's gas fired heating and mechanical cooling systems with VRV heat pump technology. These modular units are highly effective at heating and cooling but use far less energy than their gas fired equivalents.

Lighting was upgraded to LED light fittings that are significantly more energy efficient than traditional fluorescent lamps and last far longer.

Sam Richardson, Deputy Editor of Which? Money, said:

"Consumers seeking to make more sustainable choices might want to consider switching banks if they are uncomfortable with their money being invested in the fossil fuel industry and other projects which could be damaging to the environment."

"By choosing one of Which?'s three Eco Providers, customers can feel confident that their bank has impressive green credentials and steers clear of investing money in coal, oil or gas."



Carpet tiles and vinyl flooring needed to be replaced but the waste carpet tiles were returned to the manufacturer in Holland for recycling into new carpet tiles.

Finally, we didn't buy any new furniture when we refurbished the office. While the existing desk furniture needed replacing, by careful planning and selection we were able to repurpose more modern and space efficient desks and storage units from other offices within the Bank's estate. In total, we provided 585 colleagues, seven meeting rooms and a canteen with all of its furniture needs.

1. Data provided by Zellar

2. Which? Eco Provider for Current Accounts. October 2023.

What we do for the Planet

Campaigning: Support for the Zero Hour campaign

In 2021 we joined forces with Zero Hour to use our voice, and the voices of our customers, colleagues, and partners, to call for greater protection for the environment and nature.



In 2023 we continued to work as an ambassador of Zero Hour, the campaign for the Climate and Ecology (CE) Bill, a piece of legislation that is needed to take real action against the progression of the climate-nature crisis.



On World Environment Day we joined Zero Hour ambassadors and supporting Parliamentarians to hand in the United For Nature petition, calling on the Prime Minister to increase the UK government's environmental ambition and commit to halting and reversing nature loss by 2030.

If enacted, this nature target from the Climate and Ecology Bill would see our natural world on the road to recovery by 2030. The petition was signed by 15,000 members of the public and is supported by organisations including The Co-operative Bank, UK Youth for Nature and The Wildlife Trusts.

"Zero Hour is proud to continue our partnership with The Co-operative Bank as we head towards 2024 - a defining year as the last, best chance for the UK to get to grips with the climate and nature crises. The Bank has a clear commitment to tackling these interconnected emergencies and has a long history of campaigning on the causes that matter most to its customers.

Climate change and the breakdown of nature are two of the most critical issues that the UK faces today, and the Bank and its customers are part of a growing drive for science-led changes to UK legislation - the Climate and Ecology Bill.

In 2023, the Bank has supported Zero Hour's campaigning both inside Parliament and through our surging grassroots activities taking place across the UK nations. Thanks to an energetic year over 2023, the CE Bill now has the backing of 180 cross-party MPs and Peers, and over 350 councils from across the UK have passed motions in support of this bold new law. If enacted, the CE Bill would create a comprehensive strategy for the UK to transition to a zero carbon, nature positive future, where no one is left behind. This roadmap would be developed with members of the public and would provide a clear, joined-up direction for business, public bodies and broader society.

The Bank has done it before, and was instrumental in the success of the Big Ask campaign, which led to the (then) ground-breaking Climate Change Act 2008. As we head towards an election year, the Bank is once again leading the charge for historic new legislation to turn the tide on the climate-nature crises once and for all."



Oliver Sidorczuk
Campaign Co-Director



Dr Amy McDonnell
Campaign Co-Director

The bank you can hold to account



As a Bank.Green Fossil Free Certified bank and a member of the Fossil Free Banking Alliance, consumers are reassured that The Co-operative Bank has publically pledged to play no part in the provision of loans, underwriting or investments to aid the expansion of fossil fuel extraction, production or infrastructure.

It's a commitment we've made since 1998.

Bank.Green helps climate-conscious consumers to choose a bank that isn't financing the climate crisis.

[Check a bank on Bank.Green](#)



What we do for the Planet



Bringing back nature with Friends of the Earth

The UK is now one of the most nature-depleted nations in the world. That's why we're partnering with Friends of the Earth, working together to green neighbourhoods across the country.

Restoring greenery and wildlife across the country

We've joined forces with Friends of the Earth to bring back nature. We're helping to restore greenery and wildlife in over 1,000 nature-deprived spaces across the country through the Postcode Gardener programme.

The UK is now one of the most nature-depleted nations in the world. This is devastating for our ecosystems, and has a very real impact on people's mental and physical health.

Protecting the natural world has been at the heart of our unique, customer-led Ethical Policy for over 30 years and we're driven by our customers' concerns for biodiversity and the environment. That's why we've joined forces with Friends of the Earth in a multi year partnership which will bring back nature to some of the most deprived communities in the UK.

Postcode Gardeners are professional gardeners, who can guide, organise and support local people to connect with each other and work together to help greenery and wildlife flourish in their local area. The idea was born out of the realisation that whilst many people want to live on streets thriving with greenery and wildlife, they need help to make it happen.

The Postcode Gardeners will work street by street to green their neighbourhoods and bring communities together to transform where they live.



"20% of people in England live in nature depleted areas, including 1.6 million children under 12. Despite this, green space in urban areas continues to decline even though we know that it helps make us happier and healthier.

Everyone, everywhere, deserves to experience and benefit from nature which is why we are so proud to be working with The Co-operative Bank to Bring Back Nature to the communities who need it most.

A sincere thanks to The Co-operative Bank and all its customers for supporting our mission to increase nature and biodiversity in over 1,000 spaces across the country."

**Miriam Turner, Co-ED,
Friends of the Earth**



Match-funding to bring back nature

Our #BringBackNature crowdfunder gave customers and colleagues a chance to win some amazing prizes donated by a host of celebrities from the worlds of film, music and sport, while helping us to kick-start our campaign. All money raised is supporting the Postcode Gardeners Programme with an additional matched funded donation of £25,000 added to the pot from The Co-operative Bank.



**We are
game changers**



What we do for People

We are committed to acting in a way that supports individuals in being able to live freely, equitably and safely with consideration of both their physical and mental health. This includes how we treat our individual customers and colleagues and our support for human rights and equality around the world.

Supporting our customers through difficult times



In 2023 the cost of living crisis has continued to have an impact on many of our customers. All of our customer facing colleagues have received training to help them to identify and assist vulnerable customers and we've developed some great partnerships with organisations who can step in to offer support. This includes our ground-breaking partnership with **Citizens Advice Manchester**, whose services are on hand for customers who need advice on anything from access to benefits and managing debt to dealing with housing issues.

In 2023 we referred **818** customers to the service. **158** of those customers were in full time employment but were still struggling to make ends meet. Thanks to the support offered by the service, **28** customers and their families were prevented from losing their home and **434** received advice about their entitlement to benefits. We also work with debt support charities and can provide help to customers who are struggling to repay their loans or mortgage repayments.

Any customer who is worried about their finances should contact us as soon as possible. You can also find advice on our website.

Protecting customers from fraud and scams

Sadly, criminals continue to use fraud and scams to try to steal our customers' money. As part of the national **Take Five To Stop Fraud** campaign led by UK Finance and the UK government, we've continued focus on keeping our customers' money safe by updating our security features, and doing as much as we can to combat fraud and scams.

We continue to support the **159** phone service, which connects our customers safely and securely to us when they

receive an unexpected or suspicious call about a financial matter. In 2023, we received 47,967 calls on our dedicated 159 number, of which 12,792 related to a scam and 26% needed further support from fraud investigators.

Security and fraud
information



Improving accessibility

According to GOV.UK research, 12 million people in the UK are deaf or hard of hearing and 151,000 use BSL as their primary or preferred language. Approximately 2,300 of our customers have disclosed 'hearing' as a vulnerability characteristic, the fourth highest vulnerability disclosure by our customers. In order to make our services more accessible to these customers, in 2023 we introduced a new, on-demand service that allows British Sign Language users to contact us using a BSL video interpreter via the InterpretersLive! service, provided by Sign Solutions.



Working with the Customer Union for Ethical Banking

The Customer Union for Ethical Banking is an independent body representing customers of The Co-operative Bank. The Customer Union has a mandate to hold the Bank to account and ensure we continue to act as an ethical bank with

customer-led values. It is formally recognised by the Bank and during 2023 we met with representatives of the Customer Union regularly. We look forward to continuing this positive engagement in 2024.

What we do for People



Looking after our people

We are committed to creating an ethical workplace where colleagues feel valued and supported, where pay and rewards are fair and where colleagues can always be themselves.

Championing diversity and equality



The Co-operative Bank was one of the first banks to sign up to HM Treasury's Women in Finance Charter back in 2016. At that point, female representation at senior leadership level within our bank stood at 32%. Since then we have made good progress in achieving a more equal gender balance in our senior leadership.

In 2020 we successfully reached our target to increase female representation at senior leadership level to **40%**. We then updated that target to **45%** of senior roles filled by women by the end of 2023, and have continued our work to achieve gender balance. By the end of 2023, **43%** of senior roles were filled by women. Despite falling slightly short of our aim, we have some exciting opportunities ahead and our determination remains strong in achieving a greater gender balance. We will continue to encourage and support women to develop their confidence in seeking progression opportunities alongside their male colleagues in 2024.

For the fourth year in a row our mean gender pay gap has improved and now sits at **22.8%** (down from 25.0% in 2022).

Our median pay gap has also reduced, reporting at **18.1%** (down from 29.3% in 2022). Like many financial services firms, we employ more women, particularly in our customer facing and customer support roles. This leads to a gender split in different disciplines and at different levels across the organisation which impacts the median pay gap. While this does not indicate that women are paid less than men in these roles (we conduct equal pay audits to ensure this isn't the case), it does show that we must continue our long term focus on career progression and gender balance at all levels of our organisation.

Our mean ethnicity pay gap currently stands at **18.1%**, having been recorded at 16.0% in 2022. We recognise that we have work to do to attract more ethnically diverse colleagues to the bank which, over time, will help to drive an improvement in our ethnicity pay gap. Once again, it's important to stress that these figures do not indicate that ethnically diverse colleagues are paid less than non ethnically diverse colleagues in the same roles. Our equal pay audits ensure that this isn't the case.

Women in Finance Charter
and Pay Gap Report 2023



Our colleague networks

Our five inclusion networks are run by colleagues for colleagues. All of our networks are inclusive and open to all.

Proud Together - represents LGBTQ+ colleagues across the Bank and offers support and information. The network leads on our support for Manchester Pride and works to highlight key LGBTQ+ events such as World Aids Day and the International Day Against Homophobia, Transphobia and Biphobia.

Elevate - the Bank's gender inclusion network, offering support to colleagues on gender-based issues and topic areas. Elevate supports women in the workplace and supports all colleagues in promoting the wellbeing and career progression of women at all levels of the Bank.

Reach - our network that celebrates our Race, Ethnicity and Cultural Heritage. Its aim is to further develop an environment that supports a truly diverse and inclusive workplace for everyone, where we can all feel comfortable in sharing our stories and talking about our differences.

Access - supporting colleagues with disabilities, long-term health conditions, mental health conditions and caring responsibilities. The network seeks to raise awareness of the challenges colleagues face and break the stigma by normalising conversations about mental and physical health.

Futures - the Bank's newest inclusion network, recognising the challenges people can face at the start of their career. The network aims to engage, retain, and grow internal talent.



What we do for People

Looking after our people

A Real Living Wage employer



The Co-operative Bank has been an accredited Real Living Wage employer since 2015, ensuring that all our colleagues are paid a fair wage that reflects the real cost of living.

A leading employer in Greater Manchester



In 2020 we became the first financial services organisation to achieve membership of the Greater Manchester Good Employment Charter, joining the movement to improve employment standards across the North West. As part of our commitment to continuous improvement, in 2023 we implemented flexible working from day one of employment and updated our Shared Parental Leave Policy to give new parents greater flexibility to enjoy dedicated time with their new family member.

Our co-operative workplace



Our Freedom of Association Policy recognises our employees right to join a trade union if they wish. We continue to work in close consultation with our recognised trade union, Unite, on proposals for change and fund two full time union representatives.

An inclusive employer

We continue to promote equality of opportunity and aim to create a workforce that is representative of our society. Recognising that embracing difference enhances the capability of The Co-operative Bank, we are proud to be a Disability Confident certified employer and support initiatives such as the Race at Work Charter and the Halo Code, which champions the right of colleagues to embrace all Afro-hairstyles.

Nurturing new and existing talent

In September we welcomed 18 colleagues to our **graduate programme**, our largest intake to date. This accelerated development scheme is designed to give talented graduates the opportunity to reach their full potential through a two or three year programme with specialisms in Digital, Finance, Product, Risk, Audit or Technology.

We also welcomed seven undergraduate **interns**, who joined us for an exciting eight-week programme during their summer break. We hope the knowledge and skills they have gained will inspire them to join our graduate programme in future years.

Since 2021, over 150 colleagues have enrolled onto an **apprenticeship** and we now have approximately 3% of our workforce on an apprenticeship scheme. Programmes are offered to both new and existing colleagues in subjects



including Customer Service, Digital, Projects, Finance and Mortgages, providing an excellent route for career progression.

Colleague learning and development

Colleagues completed over **213,000 hours** of training in 2023, which included a mix of on-the-job and formal training. That's 61.3 hours per person.

All new starters receive a comprehensive induction session that showcases our history and heritage, values, behaviours and ethics, as well as introducing them to our strategy and scorecard and giving them an opportunity to meet members of our executive team and our union partners.

New colleagues also receive technical training, and existing colleagues are upskilled to ensure they have the right skills

and knowledge to support customers with their banking needs. This is aligned to a training and competency framework that follows regulatory and business processes.

Training resources are accessible to all colleagues for self-directed personal development via a dedicated platform. This is alongside a robust risk and mandatory training programme that provides colleagues with core knowledge training on the financial sector and the regulatory principles that govern us. All colleagues must complete this training at the beginning of their employment and on an annual basis thereafter, or as required.

What we do for People



Working in partnership to end youth homelessness

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 Centrepoint to support their mission to end youth homelessness by 2037.

Your mortgage makes a difference

We make a donation to Centrepoint for every new mortgage we provide and our colleagues undertake fundraising for Centrepoint throughout the year. These donations are used to fund the charity's national Helpline and their Homelessness Prevention and Relief Service in Manchester.

There were a record number of calls to the Helpline in 2023, with more young people than ever struggling to find affordable accommodation. More than 6,271 young people were supported by the Helpline in 2023 with 3,897 calls, 1,648 emails and 726 webchats answered. Our donations have allowed the Helpline to increase the team to 14, so that more calls can be answered.

In Manchester, the Homelessness Prevention and Relief Service received 1,331 referrals in 2023. The team works closely with other services to provide a package of individual support that helps young rough sleepers, who often have complex needs, to move on from homelessness.

A huge thank you to our customers and colleagues for making this possible.

Staying Active for homeless young people

In September colleagues took to the streets to raise funds for Centrepoint as part of our annual Stay Active fundraiser. Teams completed 5 and 10 mile walks, raising over **£2,000**.

In Manchester the team were invited into Centrepoint's Oldham Street hub where they heard from Laura, a team leader at Centrepoint's helpline. Colleagues learnt how the cost of living crisis is impacting young people, with the charity reporting that they're now receiving calls from people in full-time employment, and have had to start issuing food bank vouchers. In this extremely difficult economic climate, our support for young people facing housing difficulties is more important than ever.



"Every four minutes, a young person faces homelessness in the United Kingdom. They are isolated, vulnerable and need help to get back on their feet and get their lives back on track.

The Co-operative Bank and Centrepoint have been working together since 2017 to tackle this problem. We have changed young people's lives by helping those who find themselves at crisis point to avoid the damaging experiences of rough sleeping. The Bank has supported our emergency Helpline, made it easier for young people to open bank accounts and worked in hostels not only to create enriching experiences for the residents but also to help them move on into a job and a home of their own.

We are delighted to have The Co-operative Bank's staunch support for our vision of a society in which youth homelessness is a problem of the past. The passion we see from colleagues at the Bank encourages us never to give up on any young person and instead go the extra mile to ensure they leave homelessness behind once and for all. Their support is simply priceless and for this we, and the young people we serve, are most grateful to The Co-operative Bank and its customers."

Seyi Obakin OBE,
Chief Executive, Centrepoint



What we do for People



Sleeping out for Centrepoint



In November, Centrepoint and the Manchester United Foundation held their Sleep Out fundraising event at Old Trafford. Ten Co-operative Bank colleagues swapped their beds for a sleeping bag for a night, raising over £2,000.

During the evening participants heard from Joe, an ex-rough sleeper who'd spent seven years sleeping on the streets before seeking help from Centrepoint, and who now works with the charity. Joe shared how he was forced out of an abusive childhood home, lost friends to the cold, and sometimes didn't know if he'd wake up in the morning. It's estimated in 2022/23, 129,000 young people, aged 16–24 years old, were homeless or at risk of homelessness. By taking part in Sleep Out, colleagues helped Centrepoint to continue to provide vital services to local young people.

Supporting Centrepoint in other locations

Our branch team in Sunderland have developed a great relationship with their local Centrepoint service, with a programme of fundraising and volunteering throughout 2023 to support the hub and its residents.

In June the team supported the Garden Project and in October members of the team decorated the communal area for a Halloween Party. Colleagues helped to decorate a flat in preparation for a new young family to move in and they returned to the centre in December to make sure it was decorated for Christmas. The team have also provided 'life skills' sessions with the young residents, including cooking and financial literacy skills.

Colleagues from our Huddersfield and Leeds branches used a volunteering day to put up Christmas decorations at the Bradford service, helping to bring some festive cheer for the residents.



Moving on from homelessness

In November we were proud to host one of Centrepoint's young referrals for a week of work experience with our Brand, Marketing and Communications Team.

The young person had a week of varied activity, specifically tailored to their career aspirations. They learnt about the Bank's Values and Ethics strategy and had an introduction to our corporate and charity partners. They gained key

experience in PR and internal communications, drafting press releases and internal blogs. They finished the week with the brand, social media and digital marketing team, gaining key insight into ongoing campaigns.

The week was a huge success and we are keeping our doors open to offer work experience to more young people in 2024.

What we do for People

Partnering with Shelter to campaign for fairer renting

We are campaigning alongside Shelter to demand long-overdue reforms that could transform renting for good.



Campaigning for fairer renting

Our Ethical Policy includes a commitment to drive meaningful change on issues such as human rights and equality. That's why, together with Shelter, we're campaigning for a fairer private renting system through the introduction of a robust Renters Reform Bill, ending unfair evictions and unsafe housing, and securing stronger rights for all.

It's been over four years since new reforms were proposed that have the potential to fix private renting. Yet for private renters, nothing has changed. That's why Shelter and The Co-operative Bank are campaigning together to demand the long-overdue reforms that could transform renting for good.

We are calling on the government to fulfil their overdue promise of a life-changing bill for renters. In July, along with Shelter, our colleagues took to Parliament Square and helped to display 172 moving boxes to represent the 172 families who are served a section 21 'no fault' eviction notice every day.



Working together to transform renting for good



As part of our work to transform renting for good, The Co-operative Bank funded YouGov research alongside Shelter, which has provided an insight into the experience of both landlords and tenants within the private rental sector. The results were alarming, particularly for older renters. Nearly three in ten (28%) of private renters over the age of 55 – which equates to 400,000 people – live in fear of being evicted by their landlords and 25% said fear of eviction was negatively impacting their health.

We're urging the government to pass a robust Renters Reform Bill as a top priority, to protect thousands who are at risk of homelessness and to bring about positive change for everyone facing housing insecurity.

"We are in desperate need of a new private rented system, with over 800,000 of us at risk of losing our homes. Standing proudly together, Shelter and The Co-operative Bank are demanding a fairer private rented system through the delivery of a robust Renters Reform Bill. We are amplifying the voices of our supporters and Co-operative Bank customers, campaigning to protect those facing homelessness and putting an end to unfair evictions and unsafe housing. We are calling on the government to secure stronger rights for renters and transform private renting for good.

172 families a day are served a Section 21 'no-fault' eviction notice. That means more than 5,000 families a month face homelessness and uncertainty. This is damaging people's mental health and disrupting education.

This year, Shelter's Tenant and Landlord Survey surveyed 4,000 private renters and 1,000 landlords across the country. The research, which was conducted by YouGov and funded by The Co-operative Bank, demonstrates just how dysfunctional the private rented system is and how it is taking its toll on renters. 35% of renters said worrying about eviction has harmed mental or physical health, and 56% of renters said they would be unable to afford to live in their current home if their landlord increased the rent by 10%.

By funding our campaigning work, The Co-operative Bank are helping us to create a lasting change for renters and a fairer, more secure system for all."



Polly Neate CBE
Chief Executive, Shelter

What we do for People

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.



“2023 was a year of challenges for human rights globally, from conflicts to crisis and economic uncertainties all further intensifying inequality and injustices.

Amnesty International’s focuses have included investigating and reporting on critical human rights abuses around the world, including as a result of Russia’s invasion of Ukraine and the crisis in Israel and Occupied Palestinian Territories, but also the abuses faced by migrant workers in Qatar and the growing crisis of hate crimes against LGBTI refugees in Kenya – and many other issues across the continents of the world. Closer to home, recent years have witnessed an unprecedented assault on human rights in the UK, targeting both the foundational legal frameworks and specific, often marginalised, groups. Along with our partners, AIUK’s efforts thwarted the attempts to repeal the Human Rights Act, yet challenges persist, with voices advocating for the UK to join Russia and Belarus in exiting the European Convention on Human Rights. Despite ongoing legal deliberations, the “othering” of asylum seekers remains normalised in UK political discourse, impacting racial justice and related rights. Economic challenges further jeopardise understanding and respect for economic, social, and cultural rights.

In this context, as we enter 2024, it is imperative for Amnesty International to remain principled, brave, and outward-focused, championing the respect and protection of human rights domestically and internationally.



Sacha Deshmukh
Chief Executive Officer, Amnesty International UK

Amnesty International UK and The Co-operative Bank have been working together to promote and protect human rights for 25 years and we’re proud to have the staff and customers of the Bank alongside us.”

Official partners of Team Amnesty

Amnesty International UK is one of our longest-standing corporate charity partners. In 2023 we were proud to become the official partner of the charity’s fundraisers, Team Amnesty.

Team Amnesty consists of passionate supporters who raise funds to support Amnesty International’s vital work to expose human rights abuses, educate and mobilise millions of people around the world and protect those facing human rights injustices. Whether supporters walk, run, cycle, bake, or jump out of planes – all money raised supports Amnesty International’s work.



Find out more about
Team Amnesty



Write for Rights

For over 20 years, Amnesty International’s annual Write for Rights campaign has harnessed the power of words to change lives for the better.

In 2023 Co-operative Bank colleagues and customers once again supported this campaign. Over 3,500 letters¹ were collected and sent to governments and judiciaries worldwide to ask them to free human rights defenders from prosecution for standing up for their communities.

1. Approximate value based on digital click rates of participating customers and letters collected in branches or across Bank sites.

What we do for People

Raising awareness and working to stop economic abuse

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



Supporting those facing domestic abuse

We're working to better understand financial and economic abuse in order to help put a stop to them, and to support survivors. In 2023 we updated our website following Refuge's recommendation to add definitions of financial and economic abuse to the site, along with advice on how to

access support. This information will not be shown in the browser history, protecting victims from the possible consequences of seeking support. In 2023 this change was implemented site wide.

Calling for an end to gender-based violence

The global 16 Days of Activism against Gender-Based Violence is a key international moment to call for an end to violence against women and girls. The campaign was started by activists at the inauguration of the Women's Global Leadership Institute in 1991. It is used as an organising strategy by individuals and organisations around the world to call for the prevention and elimination of violence against women and girls. It is accompanied by White Ribbon day, which invites men to make a promise to never use, excuse or remain silent about violence against women.

To mark the campaign in 2023 the Banks gender inclusion network, Elevate, linked in with Refuge to bring colleagues further information about an important but often overlooked aspect of gender-based violence – coercive control. The activity raised awareness that not all violence is physical. With the

support of Refuge, Elevate educated colleagues on how they can help to support customers, loved ones or get help themselves. They reminded us that regardless of who you are and what your background is, you will likely know someone who is a survivor of abuse, or you may be a survivor yourself.



Celebrating 20 years of support for Hospice UK



Hospice UK is the national charity for hospices and end of life care. They support more than 200 hospices across the UK who care for more than 300,000 people at the end of their lives,

and their families each year. They equip professionals with the knowledge, skills, and expertise they need, and improve the quality of all palliative end-of-life care by sharing good practice and learning. They work to ensure that everybody impacted by death, dying, and bereavement gets the support they need, when they need it.

In 2023 The Co-operative Bank and Hospice UK celebrated 20 years in partnership. Since 2003, the Bank has raised over £675,000 for Hospice UK through initiatives such as the Current Account switching campaign, Everyday Rewards, our 150th birthday last year, and our credit card donation scheme. We're so proud of all that we've achieved together, and our support has meant that Hospice UK can continue the vital work they do for people needing end of life care and support.

Learn about the milestones we've reached over 20 years





**We are
community makers**

What we do for Communities

We are committed to being a good local, corporate and world citizen, working to improve all communities: domestic, international and remote (such as those found online). We commit to building stronger, more resilient communities with economic and social opportunities for members and will campaign for wider change. We will continue to invest in our communities, good causes and co-operative businesses.

Helping co-operatives to thrive

Co-operation is at the heart of our bank and we are committed to supporting co-operative businesses by offering them free business banking and the advice and support of a dedicated relationship manager.

In June 2023 we were proud to sponsor **Co-op Congress** for the third consecutive year. This annual event, run by Co-operatives UK, brings together co-ops from across the UK to share ideas and take action to drive the co-operative movement.

Throughout the two days of the conference the sessions reflected many of the issues our customers raised in our 2021 Values and Ethics Poll. Supporting communities inclusion and diversity, and, of course, climate change, were all hot topics for discussion. Through our customer-led Ethical Policy, we are committed to taking action to limit climate change, and we were honoured to lead a panel discussion on how co-operatives can do more to tackle the crisis.

Co-op Congress 2023 provided an inspiring opportunity to think about the importance of change and all that we can achieve by co-operating, working together and supporting our co-ops.



Specialist business support for co-ops

Since 2016, we've committed £2.9 million to support co-operatives nationally and we're proud to continue funding our Business Support for Co-ops programme through our partnership with Co-operatives UK. This unique programme gives co-operative businesses from all sectors of the economy access to the expert advice and guidance they need to thrive, including specialist technical advice, peer mentoring, training and introductory workshops. In 2023, **319** groups were supported by the programme. This included 100 groups that completed the incorporation journey to become a co-operative, along with those that received direct support, completed the UnFound Accelerator programme, attended webinars and our first Co-op Hackathon. In total, **2,181** groups have now been supported since the programme started in 2016.

£2.9m

**of funding
to date**

2,181

**groups supported
so far**

Supporting small businesses and community organisations

In 2023 we launched a new free Business Current Account for Sole Traders and Single Directors that offers a choice of ways to bank and support from dedicated business advisors.

This is in addition to our established Community Directplus account, which provides free banking to charities, co-operatives, social enterprises and credit unions. In 2023 we opened over 25% more of these accounts compared to the previous year.

We're also delighted to offer our community customers 50% off the monthly cost of the Zellar platform, which helps business customers become more sustainable and achieve their Net Zero goals.

What we do for Communities

Funding the causes that matter to you

We support our charity and community customers by awarding grants to support their special projects.

All Community Directplus account holders can apply for up to £1,000 from our **Customer Donation Fund**, with grants distributed twice a year.

In 2023 we donated **£100,000** to **103** community projects across the UK, and since the scheme started in 2003, we've donated over **£1,110,000** to 1,252 community organisations.

Read about some of the projects we've supported



Everyday Rewards customers have raised over £1.6m for these national charities



Everyday Rewards gives eligible current account customers the option to donate their monthly rewards to one of five charities. Thanks to the generosity of these customers, **£158,640** was donated to these charities in 2023.

In total, **£1,678,365** has now been donated to our selected charities since Everyday Rewards was launched in 2016.

Engaging with our communities

Our colleagues are dedicated to supporting their local communities and have done this through volunteering and fundraising in 2023. Every Co-operative Bank colleague has the opportunity to take two paid volunteering days every year. In 2023, **51%** of colleagues took part in the programme, donating a total of **16,343 hours** to their local communities, which is **£332,808** worth of time.

In 2023, colleagues raised **£41,689¹** for their favourite local and national charities and a further **£10,347** for our charity partner, Centrepoint. The Bank donated an additional **£20,100** to these charities through our matched funding scheme.

Developing financial literacy in schools

In 2023 our branch colleagues have been speaking to students at local schools to develop their financial literacy, including online safety and the importance of budgeting.

Colleagues from our Hanley branch represented the Bank at careers fairs in their local high schools, talking to parents and pupils about careers at the Bank, as well as online safety, fraud and scams.

Our teams in Derby and Bristol hosted workshops in local primary schools to educate pupils on the role of banks, different payment methods and the importance of budgeting and saving, even at a young age.

1. Figure includes centrally organised fundraising initiatives and fundraising that was self-reported through our colleague matched funding scheme.

Making an impact with OnHand

In September we launched our brand new volunteering and community platform, OnHand, to our colleagues. OnHand gives colleagues access to hundreds of local volunteering opportunities, allowing them the opportunity to give back to their communities by choosing 'missions' that align with our values and their schedule. OnHand also keeps track of how much CO2e colleagues are reducing through taking environmental actions and they plant trees based on how many missions we complete, making even more of an impact.



What we do for Communities

Supporting local communities through volunteering

Our colleague volunteering programme gives us the time to make a difference in our communities. In 2023, our operational colleagues focused their volunteering on supporting local food banks, aiming to make an impact for individuals and families facing hardship due to the ongoing cost of living crisis.

Manchester Central Foodbank

Colleagues supported food collections at supermarkets within the local area. At one session in November we collected 132kg of donations! We also helped to sort the donations and put together food parcels at the charity's warehouse.

Mustard Tree

Throughout 2023 colleagues have volunteered at the Mustard Tree Food Club in Manchester. Tasks included restocking the shelves and helping members of the Mustard Tree community with selecting the best items for their food parcels.

"Mustard Tree's Food Club is built on Dignity, Opportunity and Welcome. The Co-operative Bank's support allows us to serve, support and help 150 families a day with their food shopping. It's always reassuring when we have The Co-operative Bank on site, as we know our service is going to be of the highest standard!"

Harry Dwan, Fundraising Manager, Mustard Tree



We've helped to support The Bread and Butter Thing's warehouse team in Manchester at regular sessions throughout 2023, sorting donations and loading the vans that distribute food to communities across the region.

Skelmersdale Foodbank

Our colleagues have a longstanding relationship with the team at Skelmersdale Foodbank, having supported the charity for many years. This support continued throughout 2023.



We've also been delighted to support schools and colleges through providing sessions on money and budgeting, and to offer practical support to many local charities including homeless services, environmental projects, charity shops, hospices and dogs homes.

Here are some examples of the volunteering our colleagues have completed in 2023.



Leek & District Foodbank

Colleagues used their volunteering days to support Leek & District Foodbank. As well as helping with food collections and deliveries, they spent time at the foodbank talking to people about financial support they may be eligible for.

Saltash Foodbank

Colleagues used their volunteering days to support the team at Saltash Foodbank.

What we do for Communities

Proud supporters of Pride

We know that actively supporting inclusion and diversity within our workplace and communities is important to our colleagues and customers. We're already longstanding supporters of the Manchester Pride event and were delighted to extend our support and participation to a second Pride event in 2023.

Our support for Pride events is led by our colleague inclusion group, Proud Together. Through supporting these joyful events, we aim to send a clear message that The Co-operative Bank stands up for equality and inclusion for the LGBTQ+ community. We're proud to celebrate LGBTQ+ culture and to create opportunities to uplift all members of our communities.



Making a noise at Manchester Pride

As an event sponsor for the eighth consecutive year, 50 colleagues were invited to join the parade, spreading good will and making a lot of noise along the way!

This year we went bigger and bolder than ever before by teaming up with our charity partner, Amnesty International UK, in the Parade. Together we marched in solidarity to highlight a joint message that 'Love is a human right'.

Supporting Stoke-on-Trent Pride

In June we were excited to be able to support the community-based Stoke-on-Trent Pride for the first time. Our colleagues ran a stall at the event with useful information including online safety and fraud prevention. They also used the event to accept donations to the local Trussell Trust foodbank.

What we do for Communities

Supporting international communities in need



When the news broke in February 2023 of the devastating earthquakes that had struck south-east Turkey and north-west Syria, we acted at pace to support the Disasters Emergency Committee's appeal that provided vital assistance to the most vulnerable communities across the impacted regions. We asked our customers, suppliers and partners to help us raise vital funds to allow DEC charities to deliver food, shelter, clean water and medical care to those affected.

Thanks to the generosity of our colleagues, customers and suppliers, and with an initial donation from the Bank of £20,000 towards the cause, we contributed £129,500 to the campaign.

We're delighted to have joined DEC's Rapid Response Network, a group of key media and corporate partners who mobilise support for emergency appeals at short notice. We'll be helping them to get the message out for future appeals and making it easy for the UK public to donate quickly and seamlessly.

Giving back at Christmas

Our commitment to being an ethical bank drives us to extend our efforts beyond business. It enables us to reach out to those who need our support the most, embodying our co-operative values and ethics.

Throughout December, colleagues got involved in festive good deeds to play their part in bringing about positive change. We supported a variety of our charity partners festive fundraising drives, such as Refuges' festive parcels, Shelters' Super Santa vouchers, and Oxfam's charity gift cards. We also supported local charities with food and gift collections and by volunteering.

Our annual festive jumper day raised funds for our charity partner, Hospice UK. Colleagues from across the Bank, from branches to our office sites, took part by wearing their best (or worst!) festive knitwear. The money we raised will support Hospice UK in their mission to ensure that everyone affected by death, dying and bereavement gets the care and support they need, when they need it.

Giving a new life to old tech

In 2023 we were able to donate a number of laptops to SocialBox.Biz, a social enterprise that takes unneeded tech from businesses and donate it to people in need. The organisation supports refugees, older people, and people experiencing homelessness who need help with their education and career, while also giving them a platform to communicate with friends and loved ones.



With access to their own computer, disadvantaged individuals can develop their skills and apply for jobs, shop for basic needs, access vital services and keep in touch with friends and family. By linking in with this amazing organisation, The Co-operative Bank was able to extend the life of laptops that were no longer needed, avoid sending them for recycling and see them put to good use by vulnerable members of society.

What we do for Communities

Good corporate citizens

As an ethical bank, our customers rightly expect us to conduct our business with honesty and transparency. This includes our relationships with public institutions.

The Co-operative Bank is a politically neutral organisation

We publish on our website details of all formal meetings on behalf of the bank between government ministers and people of political importance, and members of the Bank's Board and Executive Leadership Team.

We will never donate to a political party, politician, or party-political campaign group and the causes we support will always be politically neutral.

[Read our list of formal meetings](#)



Fair payment of tax

We are committed to ensuring that we do nothing in our tax affairs that runs contrary to either the letter or spirit of UK tax legislation. As evidence of this, we are signatories of the Code of Practice on Taxation for Banks .

We are good digital citizens

We are committed to regularly assessing the protections for users on social media platforms and will take appropriate action regarding any platform that fails to adequately protect users from false information or financial scams.



**DON'T BANK
ON THE BOMB**



As well as being the first UK bank to commit to not financing the coal industry by signing the Paris Pledge in 2015, we remain the only UK-based bank in the Don't Bank on the Bomb Hall of Fame within their global Rejecting Risk report on financing nuclear weapons (2022) and the Worldwide Investments in Cluster Munitions report (2018). We're included because of our Ethical Policy statement that we will not provide banking services to any business or organisation involved in the manufacture or transfer of indiscriminate weapons.

Award winning products and services



Best Charity Banking Provider

Appendices

Our Environmental Data¹

Scope 1, 2 & 3 Greenhouse Gas Emissions by Source¹

Source of Emissions	tCO ₂ e				
	2023 ⁽⁷⁾	2022	2021	2020 ⁽⁸⁾	2019
Scope 1 - Fuel combustion	477.8	522.0*	805.4	845.0	876.0
Scope 1 - Refrigerant leakages	206.9	70.3	163.5	230.0	312.0
Scope 1 - Emergency backup generator use	0	0	0	0	0
Total Scope 1 Emissions - Direct Emissions	684.7	592.3	968.9	1,075.0	1,188.0
Total Scope 2 Emissions - Indirect Emissions (Location-based) ⁽²⁾	1,541.6	1,574.7*	2,181.3	2,786.0	5,811.0
Total Scope 2 Emissions - Indirect Emissions (Market-based) ⁽²⁾	837.1	441.0	198.7		
Total Scope 1 and 2 (Location-based) Emissions	2,226.3	2,167.0	3,150.2		
Scope 3 Category 1 - Purchased Good & Services	49,994.8	42,029.5	27,412.0		
Scope 3 Category 2 - Capital goods	1,905.2	1,763.1	36.3		
Scope 3 Category 3 - Fuel-and-energy-related activities	347.1	323.3	412.4		
Scope 3 Category 4 - Upstream transportation and distribution	227.2	168.0	-		
Scope 3 Category 5 - Waste	21.3	28.6	22.3		
Scope 3 Category 6 - Business Travel	122.6	136.6	35.7	100.0	423.0
Scope 3 Category 7 - Employee Commuting	3,238.9	2,435.8	2,449.7		
Scope 3 Category 8 - Upstream Leased Assets ⁽³⁾	N/A	N/A	N/A		
Scope 3 Category 9 - Downstream Transportation and Distribution	N/A	N/A	N/A		
Scope 3 Category 10 - Processing of Sold Products	N/A	N/A	N/A		
Scope 3 Category 11 - Use of Sold Products	N/A	N/A	N/A		
Scope 3 Category 12 - End-of-Life Treatment of Sold Products	N/A	N/A	N/A		
Scope 3 Category 13 - Downstream Leased Assets	-	-	-		
Scope 3 Category 14 - Franchises	N/A	N/A	N/A		
Total Value-chain Emissions (Scope 3 Categories 1-14)	55,857.1	46,884.9	30,368.4		
Scope 3 Category 15 - Investments (Financed Emissions) ⁽⁴⁾	302,564.9	313,832.6	340,845.0		
Mortgage Portfolio Building Intensity (kgCO ₂ e/m ²)	46.2	44.9	46.9		
Total Scope 3 Emissions (Indirect Emissions)	358,422.0	360,717.5	371,213.4		
Absolute Emissions - Total Scope 1, 2 (Location-based) & 3	360,648.3	362,884.5	374,363.6		
Absolute Emissions - Total Scope 1, 2 (Market-based) & 3	359,943.8	361,750.8	372,381.0		
Carbon Intensity (kgCO ₂ e/FTE) ⁽⁵⁾	109,122.0	131,567.3	152,676.8		
Carbon Intensity (kgCO ₂ e/£Revenue) ⁽⁶⁾	0.70	0.74	1.07		
Total Direct Energy Consumption (kWh)	10,056,526.6	11,002,688.2	14,670,098.0		
Energy Intensity (kgCO ₂ /kWh)	35.9	33.0	25.5		

Appendices

Our Environmental Data¹

Scope 1, 2 & 3 Greenhouse Gas Emissions by Source¹

- 1 Only 2021, 2022 and 2023 data has been assured by SGS, an independent 3rd party who provide assurance over ESG metrics. For definitions and calculation methodologies, see the Net Zero Technical Notes within the Appendices. Scope 1 - Emergency Backup Generator Use, Scope 3 Category 13 and other emission sources denoted 'N/A' have been calculated as zero or deemed immaterial, respectively, and included for transparency but are not assured by SGS.
 - 2 Scope 2 emissions are made of total electricity consumption across the business. Total electricity consumption GHG emissions are calculated using a location-based methodology. They are calculated using the UK average GHG emissions figure (conversion factor), as published by the Department for Energy Security and Net Zero. Up until 1st October 2023, all electricity sourced directly by The Co-operative Bank was REGO backed renewable electricity. For electricity procured directly by the Co-operative Bank from 1st October 2023 onwards as well as locations not included in the direct supply due to inclusion in landlord service provision, a market-based approach assuming a non-renewable electricity source is used to calculate GHG emissions from these locations. Renewable electricity is zero rated for carbon offsetting, therefore all electricity purchased directly by The Co-operative Bank prior to the 1st October 2023 is excluded from the offsetting calculation.
 - 3 Operation of assets leased by The Co-operative Bank (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee. These are reported within our Scope 1 and 2 emissions.
 - 4 Financed Emissions data represents a point-in-time position of the Bank's mortgage portfolio meaning Q4 estimates could not be obtained accurately. Therefore, this figure for 2023 represents the portfolio as of 31/10/23 and will be updated in next year's reporting cycle to include Q4 data.
 - 5 Calculated using the average number of full time equivalent (FTE) employees for each year.
 - 6 Revenue is calculated according to the IFRS 15 definition.
 - 7 To ensure that 2023 Scope 3 emissions data could be verified by SGS ahead of reporting, our 2023 figures are based on Q1-Q3 actual data and Q4 estimates. The data for the final quarter is assured as part of the next assurance works and re-stated in the following Sustainability Report as required, allowing timely and accurate reporting of the Bank's impact.
 - 8 NZBA and SBTi methodology states that a baseline year must be chosen in order to calculate Net Zero targets according to a 1.5°C scenario. As 2021 was chosen as our baseline year, full GHG emissions for years prior are not calculated and are not relevant to the overall pathway as Net Zero focusses on decarbonisation of existing operations rather than historical offsetting.
- * Figures denoted with an (*) have been restated from assured 2022 data following a detailed review as part of our Scope 3 emissions reporting. Scope 3 Category 3 emissions are based on updated emissions data which impact Scope 1 and 2 figures in 2022, hence the need for restating. The previously assured figures were 489 tCO₂e for Scope 1 Fuel Combustion and 1,562

Appendices

Net Zero Technical Notes

Our Net Zero Ambition and Definition

The Bank recognises that financial institutions have an important part to play in the allocation of capital towards facilitating real-world decarbonisation activities.

To align to best practice, the Bank has calculated its Net Zero pathway for financed emissions (Scope 3 Category 15) in line with the requirements of the Net Zero Banking Alliance (NZBA). It further utilised the SBTi (Science-based targets initiative) methodology to provide more detailed decarbonisation plans for its Scope 1, 2 and Scope 3 Category 1-14 emissions.

For Scopes 1, 2, and Scope 3 categories 1-14, the Bank has aligned to the SBTi definition of Net Zero, which mandates a 90 % reduction by the agreed target date with a maximum of 10 % residual emissions, balanced via carbon removals. The Bank has committed to reducing scope 1 & 2 emissions by 90 % by 2030, and scope 3 categories 1-14 emissions by 50 % by the same target year. Furthermore, the Bank commits to achieving a 90 % reduction across scopes 1, 2, and 3 categories 1-14 by 2050 at the latest, from a 2021 base year. These targets will be reviewed at regular intervals and brought forward wherever possible.

Scope and methodology for calculating emissions

As a bank, our loan book represents the most material contributor to our GHG emissions footprint. Emissions from our loan book are called our 'financed emissions' – they are emissions generated by the activities of the customers we provide financing to.

As a financial institution, our role within the Net Zero agenda is to finance the transition to a low carbon economy. This means we must work alongside the Government to help our customers decarbonise their homes and businesses. As the energy efficiency of our customers' buildings and businesses increases, powered more and more by green energy, the emissions from our loan book will decrease.

To direct our efforts to where our financing can have the biggest impact, not just to our loan book emissions footprint but to our customers' lives, we have taken a proportional approach to reduce our financed emissions. To do this, we have acknowledged that mortgage lending represents the most significant portion of our financing activity compared to SME lending and that, due to the strict ethical screening applied to all our lending, the SME loan book excludes any fossil fuel-linked activities. Based on the data we currently have available, our mortgage book is therefore considered to

be the most material contributor of our financed emissions and consequently, is our priority focus area to transition in line with Net Zero. This is why we have committed 100 % of our mortgage book to be Net Zero by 2050.

Remaining scope 3 categories (all applicable excluding Cat 15 – financed emissions) are reduced in line with an absolute contraction methodology. This means that the Bank will monitor and report all indirect emissions and set target to reduce total emissions across all categories.

The Bank completed a detailed review of its emissions to identify and assess the materiality of the sources most applicable to the Bank. Please refer to Table of Emission Sources and Calculation Methodologies on page 45 for details.

Data Sources and Data Quality Considerations

All emissions data reported is externally verified to a limited assurance basis. This ensures that a consistent approach has been taken which is reviewed independently. Wherever possible, primary source data is used as the basis for the emission calculations (such as invoices and maintenance reports for Scope 1 and 2 emissions).

However, the Bank recognises that further work is required to improve the accuracy of its emission data.

In particular, the Bank has identified two areas with low data quality:

- Scope 3 Category 1 (Purchased Goods and Services); the Bank currently uses spend data to calculate associated emissions. More accurate reporting will be enabled by using more granular data, in particular, in relation to high spend suppliers and contractors using a 'supplier-specific method', which takes into account the specific supplier's scope 1, 2 and upstream scope 3 emissions
- Scope 3 Category 15 (Investments/Financed Emissions); the Bank recognises that there are limitations to the availability and accuracy of EPC data which is currently being used wherever possible to calculate the emissions associated with the mortgaged properties. As part of its transition planning the Bank will review the accuracy of the data used, to identify means to improve its reporting and performance against our Net Zero target.

Appendices

Net Zero Technical Notes

Using estimation methodologies

Due to the timing of the report to allow the Sustainability Report to be published at the same time as ARA reporting, some data is not available in time to include actual data for the final quarter of the year. The data for the final quarter is assured as part of the next assurance works and re-stated in the following Sustainability Report as required, allowing timely and accurate reporting of the Bank's impact.

The following steps are taken when calculating estimated data:

1. Where partial data is received for any given quarter, data will be extrapolated on a pro-rated basis to cover the period for which data is missing.
2. Historic data is used as a proxy.
3. If no data is available, either an industry benchmark or Bank-specific benchmark data is used.

The following figures reported contain estimated emission calculations:

Scope (and Category) and Source	Use of estimated data
Scope 1 – gas consumption	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 2 – purchased electricity	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 1	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 2	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 3	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 4	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 5	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 6	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 7	Actual data for Quarters 1-3, estimated data for Quarter 4
Scope 3 Category 13	Actual data for Quarters 1-3, estimated data for Quarter 4

The financed emissions data is calculated based on the mortgage lending as at 31st October 2023.

Alignment to Just Transition

The Bank recognises the importance of ensuring that decarbonisation follows the Just Transition principles wherever possible to ensure that the impacts of transitioning the economy in line with Net Zero are not borne disproportionately by vulnerable sections of society. As the Bank develops its detailed Net Zero Transition Plan these considerations will be embedded into the design of its decarbonisation pathway.

Appendices

Definitions and Descriptions

Emission Type	Emission Category	Definition/Emission Sources	Data Source	Calculation Methodology
Scope 1 Emissions	Direct	Direct emissions resulting from activities directly owned or controlled by the Bank which includes the following: Fuel combustion Refrigerant leakages Emergency backup generator use Fire suppression	Fuel Combustion: Invoices from gas supplier Refrigerant Leaks: Maintenance record from landlords or maintenance contractor Emergency backup generator use: Diesel invoices Fire suppression: Contractor invoices following full discharge at location	Fuel Combustion The final kWh amount is converted to tCO ₂ e using the UK average GHG emissions figure (conversion factor), as published by the Department for Energy Security and Net Zero. Refrigerant leaks Type of refrigerant is multiplied by the global warming potential of the refrigerant type and then converted to GHG using UK Conversion factors. Emergency backup generator use Diesel consumption is converted to GHG using UK Conversion factors. Fire suppression Type of discharge is multiplied by associated global warming potential and converted into GHG using UK Conversion factors.
Scope 2 Emissions (Location-based)	Indirect	Total indirect emissions due to purchased energy at assets for which the Bank has operational control, including electricity, steam and heating/cooling which includes the following: Electricity consumption at offices and branches. Location-based emission figure calculates the electricity consumed at the carbon intensity of the UK electricity grid.	Invoices from electricity provider	The final kWh amount is converted to tCO ₂ e using the UK average GHG emissions figure (conversion factor), as published by the Department for Energy Security and Net Zero.
Scope 2 Emissions (Market-based)	Indirect	Indirect emissions due to purchased energy at assets for which the Bank has operational control including electricity, steam and heating/cooling which includes the following: Electricity consumption at offices and branches. Market-based emissions take into account the difference in emissions associated with using renewable electricity.	Invoices from electricity provider Confirmation of renewable electricity procured	Where locations are not included in the direct supply agreement due to inclusion in landlord service provision, a market-based approach assuming a non-renewable electricity source is used. The relevant electricity consumption is converted to tCO ₂ using the UK average GHG emissions figure.
Scope 3 Category 1 - Purchased Good & Services	Indirect	Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year which includes the following: Purchased Goods & Services Water	Internal spend data	The Co-operative Bank uses both the process-based and EEIO modelling method to calculate the emissions associated with goods and services.
Scope 3 Category 2 - Capital goods	Indirect	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year.	Internal spend data	The Co-operative Bank's capital goods emissions are calculated using a spend-based methodology, using EEIO.
Scope 3 Category 3 - Fuel-and-energy-related activities	Indirect	Extraction, production, and transportation of fuels and energy purchased or acquired by the Bank in the reporting year, not already accounted for in scope 1 or scope 2.	Gas and Electricity invoices	Convert consumption into GHG using Defra Well-to-Tank emissions factors and Transmission and Distribution (T&D) emissions factors.
Scope 3 Category 4 - Upstream transportation and distribution	Indirect	Transportation and distribution of products purchased by the Bank in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the Bank) including inbound logistics, outbound logistics (e.g. of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the Bank).	Internal spend data	Emissions are calculated using the applicable DEFRA and DEFRA WTT factors. Where no data is available, spend is identified in the procurement ledger as relevant to Upstream T&D. This spend is then multiplied by a relevant EEIO emission factor. Logistics spend on couriers is classified as Upstream T&D.
Scope 3 Category 5 - Waste	Indirect	Waste generated in operations	Waste contractor data	Waste emissions is calculated using the process-based method as follows: a. Collecting primary data from the facilities based on the following waste treatment types: <ul style="list-style-type: none"> • Reuse • Recycling • Incineration or treatment • Landfill b. Where no actual data is available, waste generation is estimated based on site floor area and site open and closure, and only regular waste collections are estimated (ad hoc waste collections will not be applied to sites with no actual data available). c. Emissions are calculated using the DEFRA emission factors based on the waste disposal and treatment d. Multiply the applicable Defra UK waste disposal and treatment factors by volumes of waste.

Appendices

Emission Type	Emission Category	Definition/Emission Sources	Data Source	Calculation Methodology
Scope 3 Category 6 - Business Travel	Indirect	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company).	Data from third party suppliers who provide rail ticket booking and expense claims for car mileage	Rail, plane and car mileage are converted into GHG using UK conversion factor
Scope 3 Category 7 - Employee Commuting	Indirect	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company.)	Internal HR data	<p>a. Determine the number commuting days in a year: total number of business days – Annual leave days * working from home % .</p> <p>b. Calculate the km per year per FTE metric for each mode of transport. This is derived from: www.numbeo.com/traffic/country_result.jsp?country=United+Kingdom which is a crowd-sourced online database with commuting data by region.</p> <p>c. Calculate the distance travelled per FTE per mode of transport for each region.</p> <p>d. Emissions are calculated using the applicable DEFRA TTW and DEFRA WTT factors.</p> <p>Working from home</p> <p>a. Obtain office FTE figures and calculate the number of days the FTE works from home.</p> <p>b. FTE markets are defined as requiring heating and/or cooling based on the climate.</p> <p>c. Fuel and energy requirements are calculated using the EcoAct homeworking emissions methodology where fuel and energy consumption is calculated for laptops, lighting, heating (for markets requiring heating) and cooling (for markets requiring cooling).</p> <p>d. Emissions are calculated by applying the suitable DEFRA scope 1 or scope 2 emission factor.</p>
Scope 3 Category 8 - Upstream Leased Assets	Indirect	Operation of assets leased by The Co-op Bank (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee. These are reported within our Scope 1 and 2 emissions.	N/A	N/A
Scope 3 Category 9 - Downstream Transportation and Distribution	Indirect	Transportation and distribution of products sold by the Bank in the reporting year between the Bank's operations and the end consumer (if not paid for by the Bank), including retail and storage (in vehicles and facilities not owned or controlled by the Bank).	N/A	N/A
Scope 3 Category 10 - Processing of Sold Products	Indirect	Processing of intermediate products sold in the reporting year by downstream companies (e.g. manufacturers).	N/A	N/A
Scope 3 Category 11 - Use of Sold Products	Indirect	End use of goods and services sold by the Bank in the reporting year.	N/A	N/A
Scope 3 Category 12 - End-of-Life Treatment of Sold Products	Indirect	Waste disposal and treatment of products sold by the Bank (in the reporting year) at the end of their life.	N/A	N/A
Scope 3 Category 13 - Downstream Leased Assets	Indirect	Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor.		Where tenant energy use data is readily available, these figures should be multiplied by the relevant DEFRA and DEFRA WTT factors.
Scope 3 Category 14 - Franchises	Indirect	Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor.	N/A	N/A
Scope 3 Category 15 - Investments (Financed Emissions)	Indirect	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2. This makes up the largest portion of the Bank's emissions as it includes indirect emissions faced through mortgages.	Internal mortgage portfolio data matched with the public EPC database	<p>Data points required for each mortgaged property (if known) are:</p> <ul style="list-style-type: none"> • Property ID • Outstanding Loan Amount • Property Value at Origination • Attribution Factor • Date of Valuation • Dwelling Type • Country • Region • Floor Area • EPC Rating • Primary Energy Use • Main Source of Heating <p>The data is broken down by dwelling type and the correct emission factors for each dwelling type will be applied, according to the UK government's annually refreshed Conversion Factors (www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022). In the absence of complete data points for a property, weighted averages will be applied based on dwelling type.</p> <p>The data is then aggregated to calculate the total emissions based on the outstanding loan value held by the Bank which provides a total tCO₂e figure.</p>



ASSURANCE STATEMENT

SGS UNITED KINGDOM LTD'S REPORT ON SELECTED KPIs PERTAINING TO SUSTAINABILITY ACTIVITIES IN THE SUSTAINABILITY REPORT 2023 OF THE CO-OPERATIVE BANK PLC FOR THE REVIEW PERIOD 1ST JANUARY 2023 TO 31ST DECEMBER 2023

NATURE OF THE ASSURANCE/VERIFICATION

SGS United Kingdom Ltd (hereinafter referred to as SGS) was commissioned by The Co-operative Bank Plc (hereinafter referred to as The Co-operative Bank) to conduct an independent assurance of selected KPIs included in the report 'Sustainability Report 2023' (herein referred to as the report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all The Co-operative Bank PLC's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors and the management of The Co-operative Bank PLC, and SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all of The Co-operative Bank PLC's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail and the guidance on levels of assurance contained within the ISAE3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options		Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	ISAE3000	Limited
C	ISO14064-3	Limited

Assurance has been conducted at a limited level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below:

Reporting Criteria – GHG & Environmental KPIs

1 GHG Protocol – A Corporate Accounting & Reporting Standard

Reporting Criteria – Social & Governance KPIs

1 None selected (Specified Performance Information as detailed in proposal)

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The scope of the assurance included data only for the following KPIs:

GHG & Environmental KPIs

FY2023

- Scope 1 & 2 emissions (tCO₂e)
- Scope 3 emissions (tCO₂e)
- % energy directly procured from renewables
- % operational waste to landfill
- 69% energy directly procured is sourced from renewables.
- Less than 1% operational waste to landfill

FY2021 & FY2022

- Scope 3 emissions (tCO₂e)

Social & Governance KPIs

FY2023

- Total charity donations (£)
- Colleague volunteering (#colleagues, total hours)
- Value of colleague volunteering (£)
- % colleagues taking part in a volunteering activity
- # cooperatives, charities and credit unions who bank with The Co-operative Bank*
- Customer Donation Fund donations (£)
- Everyday Rewards donations (£)
- Funds raised by colleagues (£) and match funding (£)
- # business customers referred for ethical screening
- # business customers declined banking services
- Non-customer Ethical Perception Score (%)
- Gender pay gap (mean & median) (%)

ASSURANCE METHODOLOGY

GHG & Environmental KPIs

CO₂ emissions from own operations and value chain were verified at a limited level of assurance according to standard EN ISO14064-3:2019 Specification with guidance for the validation and verification of Greenhouse Gas assertions, to establish conformance with the requirements of the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard ('The WRI/WBCSD GHG Protocol'), within the scope of the verification. The materiality required of the verification was considered by SGS to be below 10%, based on the needs of the intended user. The engagement included verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary and meeting the requirements of the WRI/WBCSD GHG Protocol and the "less than 1%" waste to landfill claim. The organisational boundary was established following the operational control approach.

Social & Governance KPIs

The assurance comprised a combination of:

- Pre-assurance research.
- Remote interview with the Values & Ethics Lead and Head of External Communications and Sustainability, the managers with responsibility for reporting, materiality, and stakeholder engagement processes associated with the report.
- Review of documentation and evidence for materiality and stakeholder engagement processes.
- Remote interviews with the managers responsible for internal data collection for each KPI.
- Document review of relevant management systems, policies and procedures.
- Remote interrogation of and testing of relevant data collection systems and procedures, including interviews with relevant data analysts and data accuracy checking.
- Final data verification checks to ensure KPI data is accurate and aligns with expectations.
- Reviewing Report content against our findings and making recommendations for improvement.

Verification was conducted upon all KPIs within the verification scope as an evaluation of historical data and information to determine whether the reported KPI data is materially correct and conforms to the criteria described above. SGS' approach is risk-based, drawing on an understanding of the risks associated with modelling KPI information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the voluntary reporting of KPIs, including emission information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitations.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from The Co-operative Bank PLC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors with relevant qualifications, expertise and experience.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

GHG & Environmental KPIs

SGS concludes with limited assurance that there is no evidence to suggest that the presented CO₂ equivalent assertion is not materially correct and is not a fair representation of the CO₂ equivalent data and information and is not prepared following the requirements of the WRI/WBCSD GHG Protocol.

We planned and performed our work to obtain the information, explanations, and evidence that we considered necessary to provide a limited level of assurance that the CO₂ equivalent emissions for the calendar years 2021, 2022 & 2023 are fairly stated. This statement shall be interpreted with the CO₂ equivalent assertion of The Co-operative Bank as a whole. The Co-operative Bank provided the GHG assertion based on the requirements of the WRI/WBCSD GHG Protocol. The GHG information for the period 2023 disclosing gross emissions of **360,648** metric tonnes of CO₂ equivalent (Location-

Based) and **359,943** metric tonnes of CO₂ equivalent (Market Based) are verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives, and criteria. Additionally, the GHG information for the period 2022 and 2021 disclosing gross scope 3 emissions of **360,716** metric tonnes of CO₂ equivalent and **371,214** metric tonnes of CO₂ equivalent.

Social & Governance KPIs

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria. Overall, the communication and presentation of information is appropriate to the size of the business, and its ESG impacts, risks and opportunities. We believe that the organisation has chosen an appropriate level and scope of assurance for this stage in their reporting.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

During the verification process some examples of good practice as well as some opportunities for improvement in underlying processes were identified and reported to The Co-operative Bank with the aim of enabling a process of continual improvement in collection and reporting KPI data. It may be possible to roll out examples of good practice to other KPIs, or parts of the business and the opportunities for improvement identified may be considered for implementation during future reporting cycles.

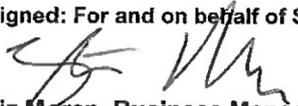
Good Practices

- The Co-operative Bank has added GHG scope 3 emissions categories for this assurance engagement.
- The Bank operates a robust GHG emissions & environmental data accounting and reporting system and all raised queries and comments during the data verification period were addressed by the Bank in a timely manner.

Opportunities for Improvement

- We recommend that the Bank publishes a Basis of Reporting document in line with best reporting practices for use by external stakeholders.
- We recommend that in designing its 2024 report the Bank takes the opportunity to review report content – including KPIs – against accepted sustainability reporting standards/frameworks.
- In line with good reporting practice, the Bank should consider a formal review of material issues, to ensure that the Bank is addressing issues that are of core concern to key stakeholders, and customers. Also, the Bank could obtain feedback from such stakeholders on the content of this report.
- We recommend that from an internal perspective, ESG KPIs definitions and scopes are agreed, clearly defined, and documented. Also, better readiness in facing assurance engagement is recommended.
- It is recommended to establish a baseline recalculation and review policy/procedure that accounts for substantial cumulative changes in base-year emissions resulting from a structural change in reporting or organizational boundaries, a change in calculation methodologies or emission factors, or the discovery of an error or a number of cumulative errors that are collectively substantial.
- It is recommended to review the GHG accounting methodologies employed and conclude whether methodologies have been selected that will reasonably minimize uncertainty and provide accurate, consistent, and reproducible results.

Signed: For and on behalf of SGS UNITED KINGDOM LTD


Liz Moran, Business Manager
SGS United Kingdom Ltd
27th February, 2024

Find out more:

Thank you for reading our Sustainability Report 2023. We're proud of our commitment to the co-operative values and ethics we share with our customers. They guide us every day as we work to achieve our purpose: to pioneer banking that makes a positive difference to the lives of our customers and communities.

Our report is released once a year but we work continually to uphold our customer-led Ethical Policy and sustainability commitments and to make a positive impact on our customers and colleagues.

You can keep up to date with our activities by following us on social media and on our website. And we're always keen to hear from you, so please keep in touch.

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Visit our website:
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Ethical then, now and **always**