



Principles for Responsible Banking Progress Statement 2025

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

Together to

Net Zero



Introduction

In February 2020, The Co-operative Bank signed the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking.

Providing a framework for a sustainable banking industry, these UN Principles help to align the banking sector with the UN Sustainable Development Goals (and the Paris Climate Agreement).

The Co-operative Bank is one of over 345 banks globally that have signed up to the Principles to date. This is The Co-operative Bank's report on implementing the Principles for Responsible Banking, using the self assessment template provided by the UNEP FI. This is our fourth self assessment report, which charts our progress to date against the six Principles for Responsible Banking.

The six Principles are:

1. Alignment
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>The Co-operative Bank was the first UK high street bank to introduce a customer-led Ethical Policy, which sets out the way we do business. This policy has been shaped by over 370,000 customer responses since it was first introduced in 1992 and it is our customers’ voices that form the basis of our Ethical Policy and our ethical commitments. More importantly, our Policy defines how we use our customer’s money and how we won’t.</p> <p>The Co-operative Bank, through its customer-led Ethical Policy, gives its customers a say in how their money is used. Adherence to co-operative values and ethics is written into the Articles of Association of The Co-operative Bank to ensure that this vital aspect of our heritage is prioritised.</p> <p>Our annual Sustainability Report integrates relevant frameworks and goals.</p> <p>As part of our Ethical Policy, The Co-operative Bank does not provide banking services to any business or organisation involved in the exploration, extraction or production of fossil fuels, the manufacture of harmful chemicals or the unsustainable harvest of natural resources. This applies to the provision of business current accounts, loans or investment services.</p> <p>The Co-operative Bank complies with the CFD (Climate-related financial disclosures) and the Modern Slavery Act 2015.</p> <p>The Co-operative Bank was acquired by the Coventry Building Society on 1 January 2025.</p>	<p>As stated in the PRB Progress Statement 2024, the Bank identified its most significant impacts areas to be Climate and Financial Health and Inclusion.</p> <p>Climate The Bank’s approach to Climate is outlined in the Bank’s Sustainability Report.</p> <p>Financial Health & Inclusion The Bank’s approach to Financial Health & Inclusion is as described in its PRB Progress Statement 2024.</p> <p>The Co-operative Bank has three focuses under this impact area:</p> <ul style="list-style-type: none"> • Target to deliver financial health and inclusion training to all colleagues with an annual review of impact and further training requirements. On track • Targeted to increase the number of Community Directplus accounts by 6 % in 2024. These accounts provide free banking to charities, community interest companies and co-operatives, supporting their work in their communities. Progress made - 4% increase achieved • Target to reach 75 % digitally active customers by 2028, increasing 1.5 % annually to reach this target. On track –1.5% annual increase achieved in 2024 <p>Output and impact indicators are being identified, following the pathway to impact model. These will be reported in future PRB Progress Statements.</p> <p>Following acquisition of The Co-operative Bank by The Coventry Building Society on 1 January 2025, future target setting and engagement with the Principles will align with the interests of this new ownership structure.</p>	<p>The Co-operative Bank’s customer-led Ethical Policy is central to our responsible relationship with our customers. Customer consultation exercises ensure the Ethical Policy continues to reflect their most pressing ethical concerns. The last customer consultation – our Values and Ethics Poll - was carried out in 2021, with an update to the Ethical Policy delivered in 2022.</p> <p>The Co-operative Bank’s actions to work responsibly with our clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations are as described in its PRB Progress Statement 2024.</p> <p>The Co-operative Bank continues to refuse to provide banking services to businesses or organisations involved in the exploration, extraction or production of fossil fuels, and has similar exclusion statements on a range of environmental and social issues, as detailed in The Co-operative Bank Ethical Policy.</p>
Links & references	Links & references	Links & references
<p>The Co-operative Bank Ethical Policy</p> <p>Articles of Association, page 4</p> <p>2024 Sustainability Report, pages 13-17, 47</p> <p>2024 ARA Report, pages 28-40.</p> <p>Modern Slavery & Human Trafficking Statement</p>	<p>Climate: 2024 Sustainability Report, pages 10-11, 14, 24-25, 41-45, 2024 ARA Report, pages 28-40.</p> <p>Financial Health & Inclusion: PRB Progress Statement 2024, pages 10-13, 2024 Sustainability Report, page 13</p>	<p>The Co-operative Bank Ethical Policy</p> <p>2021 Ethical Poll Results</p> <p>PRB Progress Statement 2024, pages 14-15.</p> <p>2024 Sustainability Report, pages 14, 15, 20, 21, 22, 26.</p>

<p>Principle 4: Stakeholders</p>	<p>Principle 5: Governance & Culture</p>	<p>Principle 6: Transparency & Accountability</p>
<p>The Co-operative Bank’s approach to stakeholder engagement is as detailed in the PRB Progress Statement 2024.</p> <p>Our 2021 Values and Ethics Poll continues to be the primary source of our customers’ views, having received 47,000 responses. Our updated Ethical Policy represents these views, alongside those of a wide range of stakeholders, including charity and community partners.</p> <p>The Co-operative Bank was acquired by The Coventry Building Society on 1 January 2025, returning it to mutual ownership. Future PRB Progress Statements will reflect the new ownership structure and stakeholder landscape.</p>	<p>Governance Adherence to co-operative values and ethics is written into the Articles of Association of The Co-operative Bank to ensure this vital aspect of its heritage is maintained.</p> <p>The Bank’s ESG Governance structure can be found on page 12 of the 2024 Sustainability Report.</p> <p>On a day to day basis, the Bank’s governance of ESG is steered by its ESG Taskforce. With representatives across Bank functions, this provides central oversight of ESG activity federated across the different Bank areas.</p> <p>Culture The Co-operative Bank’s approach to promoting a positive culture within the organisation is as detailed in the PRB Progress Statement 2024.</p> <p>In 2024, part of executive remuneration was linked to achievement of our ESG targets and all colleagues had at least one of their personal performance objectives linked to the achievement of the Bank’s ESG ambitions.</p>	<p>The Co-operative Bank aims to operate in alignment with the highest standards of transparency and accountability.</p> <p>All metrics disclosed in the Sustainability Report referenced within this statement are independently assured to limited assurance standard, as evidenced in the assurance statement (2024 Sustainability Report, pages 48-50)</p> <p>The Co-operative Bank’s overall approach to implementing the Principles for Responsible Banking was included in the assurance of our PRB Progress Statement 2024, to the standard required by the guidance document. The KPIs identified to support Principle 2 have been assured as part of our 2024 Sustainability Report.</p> <p>Looking ahead, the Bank will aim to review its arrangements with regards to the Principles in line with the new ownership structure to ensure alignment to the wider Group priorities and approach.</p>
<p>Links & references</p>	<p>Links & references</p>	<p>Links & references</p>
<p>PRB Progress Statement 2024, page 16</p> <p>2021 Ethical Poll Results</p> <p>The Co-operative Bank Ethical Policy</p>	<p>Articles of Association, page 4</p> <p>2024 Sustainability Report, page 12</p> <p>PRB Progress Statement 2024. Pages 17-19</p>	<p>2024 Sustainability Report, pages 48-50</p> <p>PRB Progress Statement 2024, pages 23-26</p>

The **co-operative** bank

The Co-operative Bank p.l.c.
1 Balloon Street, Manchester, M4 4BE
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