

THE CO-OPERATIVE BANK RE-LAUNCHES ETHICAL POLICY

74,000 CUSTOMERS AND COLLEAGUES CALL FOR THE BANK TO:

- **REAFFIRM COMMITMENT TO EXISTING POLICY STATEMENTS**
- **EXTEND THE LIST OF COMPANIES THE BANK WON'T FINANCE TO INCLUDE COMPANIES INVOLVED IN IRRESPONSIBLE GAMBLING, PAY DAY LENDING AND WHICH DO NOT RESPONSIBLY PAY TAX IN THE UK**
- **EXPAND THE POLICY TO FORMALISE FOR THE FIRST TIME HOW THE BANK OPERATES AS A BUSINESS**
- **80% of customers say “not lending customers’ money to businesses which go against our ethical concerns” best demonstrates the Bank’s Ethical Policy**
- **Customers say that the major ethical issues for them in the world today, including human rights, the environment and animal welfare, remain important**
- **Customers believe that the way the Bank is run should more visibly reflect the Policy in areas beyond lending. Promoting responsible banking and operating the Bank with honesty and transparency seen as the key priorities**
- **A commitment to campaign for social and economic change now embedded in the Bank’s Ethical Policy – as customers call for the Bank to return to its campaigning heritage by using its voice to stand up for underserved causes in line with its values and ethics**

The Co-operative Bank today launches its expanded Ethical Policy based on the views of more than 74,000 customers and colleagues. The Bank is recommitting to its existing Policy around who it will and won't lend to and is strengthening and extending it for the fifth time since it was launched over 20 years ago.

The new Policy has been shaped by a poll of customers and colleagues as well as a wider consultation with stakeholders around the country. It shows that 80% of customers still strongly believe that not doing business with companies and organisations that breach the Policy best demonstrates the Bank's ethical approach. This means that the Bank will continue to ensure that it doesn't use customers' money to finance businesses or organisations which go against their ethics and values in areas such as human rights, the environment, international development and animal welfare. The major ethical issues in the world today, on which the Policy has been based, remain important for customers.

Customers also identified new ethical concerns around whom the Bank will and won't do business with, that have emerged since the Policy was last updated in 2009. As a result, from today the Bank will not finance any companies or organisations that are involved in irresponsible gambling and pay day loans. It will also be extending its commitment not to

finance companies or organisations which do not responsibly pay tax to include the UK or elsewhere. The Co-operative Bank was the first bank to introduce an ethical policy in 1992 and is still the only bank on the high street to have a customer led ethical policy. This has resulted in £1.4 billion of business being turned away by the Bank.

Extending the Ethical Policy beyond whom we bank or lend to

In the poll, customers and colleagues also made it clear that the way the Bank is run should more visibly reflect the Policy in areas beyond banking services. 80% want the Policy to include a commitment to promoting responsible banking and operating with honesty and transparency. These are the key new areas that customers want the Policy to cover in the future.

As a result of the customer feedback the Ethical Policy will for the first time provide a framework for how the Bank operates. In particular this will cover the products and services offered to customers, the Bank's relationships with external stakeholders and suppliers and the workplace and culture and ways of working for colleagues in the Bank.

The expanded Policy will also include a commitment to campaign for social and economic change. This follows a call from customers for the Bank to return to its campaigning heritage by using its voice to stand up for underserved causes that are in line with its values and ethics.

Niall Booker, Chief Executive of The Co-operative Bank comments: "Our values and ethics have always been an important factor that both underpins our business and distinguishes us in the marketplace. Today we are recommitting to our Ethical Policy and, at the same time, strengthening and expanding it to bring the Policy into line with what our customers care about today.

"We know that we still have much more to do to get the Bank back on track and we know we have made our share of mistakes in the past, but the re-launch of this policy is an important step in rebuilding The Co-operative Bank as we listen to our customers and rebuild trust. We began the journey a year ago by strengthening the Bank's capital and liquidity, simplifying the business and focusing on individual and small business customers. We have made some good progress in these key areas. More recently we have begun reinvesting in the brand and successfully launched our advertising campaign focused on our values and ethics.

"The implementation of the updated Ethical Policy starts today. Over the coming months we will be developing our plans in some of the new areas, including the products and services we offer our customers. As part of our new approach we will be involving our customers in the development of our products.

"The huge volume of responses to our poll gives us confidence that our approach to banking is as relevant in today's world as it ever was. We want to say to both existing and potential customers; if you share our values then we still remain the bank of choice for you."

Laura Carstensen, chair of the Co-operative Bank's Values and Ethics Committee, comments: "Major global issues still sit at the heart of what our customers care about, but they also want us to address issues closer to home. During a period of sustained austerity, it's no surprise that customers have given greater weight to supporting economic and social development in the UK. Customers want us to support communities and businesses that improve the fabric of society.

"We have already written co-operative values and ethics into our constitution to ensure that this vital aspect of our heritage is maintained. The Values and Ethics Committee will oversee, challenge and enforce the Ethical Policy and later this year we will be publishing a report on the progress we are making."

Barometer of ethical concerns

The Bank's customers have often provided an insight into issues that subsequently became areas of focus for the world at large. An example of this was the issue of land mines and the Bank's subsequent campaign around this in 1996.

Based on the results of the latest poll, customers views on the major ethical concerns in the world today show promoting and protecting human rights, including equality, remains the biggest concern (63%) mirroring customers' views held in 2009. However supporting economic and social development in the UK has now moved up in importance and was close behind at 60%.

Rank	2009	Today
1	Human rights	Promoting and protecting human rights, including equality
2	Ecological sustainability	Supporting economic and social development in the UK
3	International development	Protecting the environment
4	Animal welfare	Supporting economic and social development overseas
5	Social enterprise and co-operatives	Promoting and protecting animal welfare

How customers' views of the major global ethical issues have changed - rankings in terms of priorities 2009 vs 2014

Ed Mayo, Secretary-General, Co-operatives UK said: "It is very welcome to see The Co-operative Bank begin 2015 with its bold and purposeful expanded Ethical Policy.

"Not only does the Policy respond to what the Bank's customers want, but it continues to demonstrate its ethical leadership and, importantly, The Co-operative Bank's support for co-operative and community enterprise that has always helped set it apart."

Peter Frankental, Economic Relations Programme Director at Amnesty International UK said: "It is reassuring that The Co-operative Bank has reaffirmed its commitments to human rights in its expanded Ethical Policy. Amnesty welcomes this significant step and

challenges other banks to extend the scope of their ethical policies to reflect human rights impacts across all their products, processes and business relationships."

The Ethical Policy has been developed with an independent review partner, the Institute of Public Policy Research (IPPR), who have analysed the poll's findings and facilitated a detailed consultation process with key stakeholder groups and campaigning organisations.

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To view the new Ethical Policy and the findings of the full poll, visit: <http://www.co-operativebank.co.uk/ethics>

About The Co-operative Bank

The Co-operative Bank plc provides a full range of banking products and services to around 5 million retail and SME (Small and Medium Sized Enterprises) customers. The Bank is committed to values and ethics in line with the principles of the co-operative movement.

Notes to editors

- The Ethical Policy poll was run by YouGov between from 12 June until 30 June 2014.
- The Co-operative Bank first launched its unique customer led Ethical Policy in 1992. Since then the policy has been revised in 1995, 1998, 2001, 2009 and 2014.

For further information, please contact:

Tony Langham, Lansons - 07979 692287 / tonyl@lansons.com

David Masters, Lansons - 07825 427 514 / davidm@lansons.com