Values and Ethics Poll

2014

Poll Results

The co-operative bank
Since we became the first bank to launch an Ethical Policy back in 1992 it has been shaped by the views of our customers. Many thousands of customers have shared their ethical concerns with us over that time and to this day we remain the only bank to screen every business we bank against an Ethical Policy led by customers.

Over the last 22 years we have reviewed our Ethical Policy five times to make sure it remains relevant and in line with customers’ ethical concerns. Over 74,000 customers, colleagues and other stakeholders responded to our latest poll in June 2014 and their views have formed the basis of our new Policy.

What customers tell us is that the major ethical issues in the world today remain as important as ever but other issues closer to home and around how the bank operates as a business are also rising in importance.

Overwhelmingly 80% of customers still believe that not doing business with companies and organisations that breach the Policy is the biggest action the Bank should focus on.

As a result of what our customers feel is important to them in today’s world we have recommitted to our existing Ethical Policy and strengthened and extended it. This is a vital step in restoring trust in the Bank - 84% of customers say it is a key reason they bank with us.

Our customers have always been ahead of thinking on ethical issues and we believe this remains the case today.
Poll Questions 1-7

Over the next couple of pages we’ve compiled the questions that we asked our customers and colleagues in our Values and Ethics Poll. To find out how they responded, simply click on the ‘view results’ button next to each question.

**Question 1**
Thinking about your own reasons for being a customer of The Co-operative Bank, how important or not would you say the Bank’s Ethical Policy is, compared to other reasons for banking with The Co-operative Bank?

**Question 2**
We want to understand how important the existing and potential new areas of our Ethical Policy are to you. Please rank your top four options in order of how important they are to you personally.

**Question 3**
The Co-operative Bank’s Ethical Policy is currently focused on five areas. We are considering extending the policy to cover new areas. In addition we want to ensure our Ethical Policy reflects the co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity and the ethical values of honesty, openness, social responsibility and caring for others. We want these values to translate to policies that are relevant for a Bank. In future, which of the following areas do you think The Co-operative Bank should focus on in its Ethical Policy?

**Question 4**
The Co-operative Bank has supported a range of good causes through donations of money, our time, fundraising, and product promotions. Which types of good causes would you like The Co-operative Bank to prioritise for support in the future?

**Question 5**
As a result of the financial crisis there is a growing public debate about the need for a more responsible culture in the banking sector. Which of the following actions do you believe are most important in ensuring that The Co-operative Bank promotes responsible banking?

**Question 6**
The Co-operative Bank believes that treating customers fairly is a fundamental value of an ethical bank. Which of the following actions do you believe are most important in ensuring that The Co-operative Bank treats customers fairly?

**Question 7**
The Co-operative Bank believes that operating with honesty and transparency is a fundamental value of an ethical bank. Which of the following actions do you believe are most important in ensuring that The Co-operative Bank operates with honesty and transparency?
**Promoting and protecting human rights** is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank promotes and protects human rights?

**International development** is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank supports social and economic development internationally?

**Social enterprise** – supporting economic and social development in the UK – is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank supports economic and social development in the UK?

**Ecological impact** – protecting the environment – is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank helps protect the environment?

Animal welfare is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank promotes and protects animal welfare?

Which, if any, of the following do you believe is likely to be most effective in ensuring The Co-operative Bank carries out its Ethical Policy successfully?

Which of the following actions do you think most effectively show The Co-operative Bank’s commitment to the Ethical Policy?

The co-operative movement is rooted in the co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity and the ethical values of honesty, openness, social responsibility, and caring for others. What products and services do you think The Co-operative Bank should offer to show that we are operating in line with these values?

Are there any other issues that you feel The Co-operative Bank should consider when extending its Ethical Policy?
Thinking about your own reasons for being a customer of The Co-operative Bank, how important or not would you say the Bank’s Ethical Policy is, compared to other reasons for banking with The Co-operative Bank?

- **62%** of customers participating in the poll said the Bank’s Ethical Policy was either the only or main reason for banking with The Co-operative Bank.

- A further **22%** of customers say that the Ethical Policy is an important reason why they bank with The Co-operative Bank.

Don’t know: 1%
We want to understand how important the existing and potential new areas of our Ethical Policy are to you. Please rank your top four options in order of how important they are to you personally.

- The following four areas received the greatest support from customers in the poll:

  1) Operating with honesty and transparency **(71%)**
  2) Promoting responsible banking **(63%)**
  3) Supporting co-operative principles and values where possible **(54%)**
  4) Promoting and protecting human rights, including equality **(50%)**
The Co-operative Bank’s Ethical Policy is currently focused on five areas. We are considering extending the policy to cover new areas. In addition we want to ensure our Ethical Policy reflects the co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity and the ethical values of honesty, openness, social responsibility and caring for others.

We want these values to translate to policies that are relevant for a Bank. In future, which of the following areas do you think The Co-operative Bank should focus on in its Ethical Policy?

- The following five areas received the greatest support from customers in the poll:

1) Operating with honesty and transparency (81%)
2) Promoting responsible banking (79%)
3) Promoting and protecting human rights, including equality (63%)
4) Supporting economic and social development in the UK (60%)
5) Treating customers fairly (58%)

- Operating with honesty and transparency 81%
- Promoting responsible banking 79%
- Promoting and protecting human rights, including equality 63%
- Supporting economic and social development in the UK 60%
- Treating customers fairly 58%
- Protecting the environment 55%
- Supporting economic and social development overseas 32%
- Promoting and protecting animal welfare 20%
- Other 8%
- Don’t know 0%
- None of the above 0%
The Co-operative Bank has supported a range of good causes through donations of money, our time, fundraising, and product promotions. Which types of good causes would you like The Co-operative Bank to prioritise for support in the future?

- The following five good causes received the greatest support from customers in the poll:
  1) Supporting local communities in the UK (59%)
  2) Supporting co-operatives (57%)
  3) Environmental protection (56%)
  4) Human rights (50%)
  5) Child poverty (46%)
As a result of the financial crisis there is a growing public debate about the need for a more responsible culture in the banking sector. Which of the following actions do you believe are most important in ensuring that The Co-operative Bank promotes responsible banking?

- The following five actions received the greatest support from customers in the poll:

  1) Avoiding excessively risky lending (79%)
  2) Ensuring pay and rewards for senior executives at The Co-operative Bank are responsible and clearly linked to individual and company performance (77%)
  3) Campaigning publicly to promote greater responsibility across the banking sector (66%)
  4) Warning customers if their borrowing patterns appear to be unsustainable or irresponsible (58%)
  5) Campaigning publicly to promote greater financial education (43%)
The Co-operative Bank believes that treating customers fairly is a fundamental value of an ethical bank. Which of the following actions do you believe are most important in ensuring that The Co-operative Bank treats customers fairly?

• The following five actions received the greatest support from customers in the poll:

1) Ensuring that bank charges are fair and proportionate (82%)
2) Basing pay and rewards for branch and customer service staff on quality of service rather than volume of sales (74%)
3) Providing guidance and support to customers in financial difficulty (67%)
4) Ensuring we always explain fees and charges in plain language that customers can understand (65%)
5) Not charging you if you go overdrawn by mistake (51%)
The Co-operative Bank believes that operating with honesty and transparency is a fundamental value of an ethical bank. Which of the following actions do you believe are most important in ensuring that The Co-operative Bank operates with honesty and transparency?

- The following five actions received the greatest support from customers in the poll:

1) Being open and transparent about our relationships with political institutions (67%)
2) Reporting on the types of people and businesses we bank, invest in or lend to and where they are located (64%)
3) Publishing how we are performing against our Ethical Policy (62%)
4) Ensuring The Co-operative Bank pays its fair share of tax (60%)
5) Never lobbying for policy changes in private that we’re not willing to campaign for in public (59%)
Promoting and protecting human rights is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank promotes and protects human rights?

- The following five actions received the greatest support from customers in the poll:

1) Refusing to support businesses involved in the manufacture or trade in torture equipment used in the violation of human rights (83%)

2) Refusing to support businesses that are involved in the manufacture or trade in weapons with oppressive regimes (80%)

3) Refusing to support businesses with links to oppressive regimes (76%)

4) Refusing to support businesses that advocate discrimination or incitement to hatred (70%)

5) Paying men and women who work at The Co-operative Bank equally and encouraging others to follow suit (45%)
QUESTION 9 RESULTS

International development is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank supports social and economic development internationally?

- The following five actions received the greatest support from customers in the poll:

1) Not banking, investing in or lending to businesses that fail to implement basic labour rights set out by the International Labour Organisation e.g. opposing the rights of workers to join a trade union and employing child labour (81%)

2) Not banking, investing in or lending to businesses that impede access to basic necessities like food and medicine (71%)

3) Not banking, investing in or lending to businesses that illegally avoid paying tax in developing countries (68%)

4) Not banking, investing in or lending to businesses that engage in irresponsible market in developing countries (e.g. tobacco marketing) (54%)

5) Supporting micro lending (loaning small sums of money to entrepreneurs) to relieve poverty overseas (45%)

- Not banking, investing in or lending to businesses that fail to implement basic labour rights set out by the International Labour Organisation e.g. opposing the rights of workers to join a trade union and employing child labour (81%)

- Not banking, investing in or lending to businesses that impede access to basic necessities like food and medicine (71%)

- Not banking, investing in or lending to businesses that illegally avoid paying tax in developing countries (68%)

- Not banking, investing in or lending to businesses that engage in irresponsible marketing in developing countries (e.g. tobacco marketing) (54%)

- Supporting micro lending (loaning small sums of money to entrepreneurs) to relieve poverty overseas (45%)

- Campaigning publicly to promote equal opportunities and equal pay for women in the developing world (28%)

- Campaigning publicly to support international development issues (12%)

- Other (2%)

- Don’t know (2%)

- None of the above (2%)
Social enterprise – supporting economic and social development in the UK – is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank supports economic and social development in the UK?

- The following five actions received the greatest support from customers in the poll:
  1) Not banking, investing in or lending to companies that illegally avoid paying tax in the UK (72%)
  2) Supporting initiatives like the Living Wage and committing to implement it at The Co-operative Bank (59%)
  3) Encouraging all suppliers to The Co-operative Bank to help tackle low pay among their workers through initiatives like the Living Wage (57%)
  4) Not banking, investing in or lending to companies whose core business is focused on irresponsible gambling (56%)
  5) Supporting businesses that create jobs or local economic development in the UK (e.g. more loans for small businesses) (54%)
QUESTION 11 RESULTS

Ecological impact – protecting the environment — is one of the five areas of The Co-operative Bank’s current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank helps protect the environment?

- The following five actions received the greatest support from customers in the poll:

1) Not banking, investing in or lending to companies that are involved in the unsustainable exploitation of natural resources (73%)
2) Not banking, investing in or lending to companies that manufacture chemicals that persist in the environment or are harmful to health (70%)
3) Supporting companies that invest in renewable energy (65%)
4) Not banking, investing in or lending to companies whose core activities generate global climate change, via the extraction (e.g. fracking), production or distribution of fossil fuels (58%)
5) Supporting organisations that protect the environment (50%)
Animal welfare is one of the five areas of The Co-operative Bank's current Ethical Policy. Which of the following actions do you believe best help show that The Co-operative Bank promotes and protects animal welfare?

- The following five actions received the greatest support from customers in the poll:
  1) Not banking, investing in or lending to companies whose activities threaten endangered species (67%)
  2) Supporting businesses engaged in farming practices that promote animal welfare (56%)
  3) Not banking, investing in or lending to companies that engage in animal testing of cosmetics or household products (53%)
  4) Not banking, investing in or lending to companies that are involved in blood sports (52%)
  5) Not banking, investing in or lending to companies that are involved in the fur trade (51%)

<table>
<thead>
<tr>
<th>Action</th>
<th>Support</th>
<th>Poll Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not banking, investing in or lending to companies whose activities threaten endangered species</td>
<td>67%</td>
<td>Poll Questions 1-7</td>
</tr>
<tr>
<td>Supporting businesses engaged in farming practices that promote animal welfare</td>
<td>56%</td>
<td>Poll Questions 1-7</td>
</tr>
<tr>
<td>Not banking, investing in or lending to companies that engage in animal testing of cosmetics or household products</td>
<td>53%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Not banking, investing in or lending to companies that are involved in blood sports</td>
<td>52%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Not banking, investing in or lending to companies that are involved in the fur trade</td>
<td>51%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Supporting businesses that are developing alternatives to animal testing</td>
<td>47%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Not banking, investing in or lending to companies that engage in intensive farming methods</td>
<td>47%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Not banking, investing in or lending to companies that exploit the Great Apes for commercial advantage</td>
<td>42%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Supporting businesses that are involved in protecting endangered species</td>
<td>39%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Supporting organisations that promote animal welfare</td>
<td>33%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>None of the above</td>
<td>3%</td>
<td>Poll Questions 8-16</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>Poll Questions 8-16</td>
</tr>
</tbody>
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QUESTION 13 RESULTS

Which, if any, of the following do you believe is likely to be most effective in ensuring The Co-operative Bank carries out its Ethical Policy successfully?

- The following five areas received the greatest support from customers in the poll:

1) Putting ethics and values into the constitution of The Co-operative Bank (74%)

2) Having a dedicated Values and Ethics Committee to oversee and enforce our Ethical Policy (61%)

3) Requiring all new business customers to complete a questionnaire assessing whether their businesses are in line with our Ethical Policy (55%)

4) Requiring all our suppliers to complete a questionnaire assessing whether their businesses are in line with our Ethical Policy (55%)

5) Requiring staff to observe our Ethical Policy in their work as part of their employment contract (45%)
QUESTION 14 RESULTS

Which of the following actions do you think most effectively show The Co-operative Bank’s commitment to the Ethical Policy?

- The following five actions received the greatest support from customers in the poll:

1) Not banking, investing in or lending to companies that breach our Ethical Policy (80%)
2) Requiring our suppliers to meet our ethical standards (60%)
3) Actively supporting companies that advance our Ethical Policy (55%)
4) Supporting community initiatives that advance our Ethical Policy (45%)
5) Supporting initiatives in line with our Ethical Policy (42%)
6) Supporting organisations that promote ethical causes (42%)

Not banking, investing in or lending to companies that breach our Ethical Policy 80%
Requiring our suppliers to meet our ethical standards 60%
Actively supporting companies that advance our Ethical Policy 55%
Supporting community initiatives that advance our Ethical Policy 45%
Supporting initiatives in line with our Ethical Policy 42%
Supporting organisations that promote ethical causes 42%
Developing specific products and services that support our Ethical Policy 39%
Changing our approach to dealing with our customers to more clearly demonstrate our values 31%
Don’t know 3%
Other 2%
None of the above 2%
The co-operative movement is rooted in the co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity and the ethical values of honesty, openness, social responsibility, and caring for others. What products and services do you think The Co-operative Bank should offer to show that we are operating in line with these values?

- Respondents were most likely to select:

<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages for first time buyers / young people</td>
<td>13%</td>
</tr>
<tr>
<td>Invest in / support housing co-operatives / building</td>
<td>11%</td>
</tr>
<tr>
<td>Stop buy-to-let mortgages</td>
<td>11%</td>
</tr>
<tr>
<td>Just be a bank</td>
<td>10%</td>
</tr>
<tr>
<td>Focus on UK</td>
<td>9%</td>
</tr>
</tbody>
</table>
**QUESTION 16 RESULTS**

Are there any other issues that you feel
The Co-operative Bank should consider
when extending its Ethical Policy?

- Respondents were most likely to select:

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages for first time buyers / young people</td>
<td>13%</td>
</tr>
<tr>
<td>Don’t know / nothing</td>
<td>11%</td>
</tr>
<tr>
<td>Equality for women / gender equality</td>
<td>10%</td>
</tr>
<tr>
<td>Invest in / support housing co-operatives / building</td>
<td>9%</td>
</tr>
<tr>
<td>Just be a bank / improve the Bank’s financial position first / don’t let being ethical stop you being profitable</td>
<td>7%</td>
</tr>
<tr>
<td>Focus on UK / local communities</td>
<td>7%</td>
</tr>
<tr>
<td>It is no longer co-operative / owned by hedge funds / get back to being a co-operative / needs to be ethical regardless of being owned by hedge funds</td>
<td>7%</td>
</tr>
</tbody>
</table>
The Values and Ethics Poll was run by YouGov from 12 June until 30 June 2014.

Please call 03457 212 212* if you would like to receive this information in an alternative format such as large print, audio or Braille.

*Calls may be monitored or recorded for security and training purposes. Calls to 03 numbers cost no more than calls to geographic numbers (01 or 02) and must be included in inclusive minutes and discount schemes in the same way. Calls from landlines are typically charged up to 9p per minute; calls from mobiles typically cost between 8p and 40p per minute. Calls from landlines and mobiles are included in free call packages.

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