

## REPORT REVIEW

# The Co-operative Bank P.L.C Green Bond Report

Green Bond Allocation & Impact Report  
The Co-operative Bank P.L.C

27 March 2024

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Green Bond Allocation and Impact Report

### Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), administered by International Capital Market Association (ICMA) (as of June 2022)
- The Co-operative Bank Green Bond Allocation & Impact Report (as of March 27, 2024)
- The Co-operative Bank Green, Social and Sustainability Financing Framework (as of February 23, 2022)

### Scope of verification

- Bond(s) identification:

Issue Date	ISIN	Maturity Date	Amount raised (GBP)
April 6, 2022	XS2464403877	April 6, 2027	250 M
May 24, 2023	XS2606337082	May 24, 2027	200 M
November 22, 2023	XS2702921607	May 22, 2034	200 M

### Lifecycle

- Post-issuance verification

### Validity

- As long as no changes are undertaken by the Issuer to its Green Bond Allocation and Impact Report as of March 27, 2024

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## SCOPE OF WORK

The Co-operative Bank P.L.C. (“the Issuer”, or “The Co-operative Bank”, or “The Bank”) commissioned ISS-Corporate to provide a Report Review<sup>1</sup> on its Green Bond Allocation & Impact Report by assessing:

1. The alignment of The Co-operative Bank Green Bond Allocation and Impact Report with the commitments set forth in the Co-operative Bank Green, Social and Sustainability Financing Framework (the “Framework”) (as of February 23, 2022).
2. The Co-operative Bank Green Bond Allocation and Impact Report - benchmarked against Harmonized Framework for Impact Reporting (HFIR), administered by International Capital Market Association (ICMA) updated as of June, 2022.
3. The disclosure of proceeds allocation and soundness of reporting indicators – whether the impact metrics align with best market practices and are relevant to the Green Bonds issued.

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in Co-operative Bank’s Green Bond Allocation & Impact Report. A review of the use of proceeds’ allocation and impact reporting is solely conducted against ICMA’s Standards (Green Bond Principles) core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer [or The Co-operative Bank] is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p><b>Part 1.</b></p> <p><b>Alignment with the Issuer’s commitments set forth in the Framework</b></p>	<p>The Bank’s Green Bond Allocation and Impact Report meets the Issuer’s commitments set forth in the Framework. The proceeds have been used to (re)finance Green Buildings in accordance with the eligibility criteria defined in the Framework.</p>	<p><b>Aligned</b></p>
<p><b>Part 2</b></p> <p><b>Alignment with the Harmonised Framework for Impact Reporting (HFIR)</b></p>	<p>The Green Bond Allocation and Impact Report is in line with ICMA’s Harmonised Framework for Impact Reporting (HFIR). The Issuer follows core principles and where applicable key recommendations.</p> <p>The Bank provides transparency on the frequency of expected reporting, aligned with best market practices. The Bank has reported within the next fiscal year after the issuance of the Green Bonds, illustrated the environmental impacts or outcomes, provided transparency on ESG risk management, and transparency on the currency used.</p>	<p><b>Aligned</b></p>
<p><b>Part 3</b></p> <p><b>Disclosure of proceeds allocation and soundness of reporting indicators</b></p>	<p>The allocation of the bond’s proceeds has been disclosed, with a detailed breakdown across different eligible asset categories as proposed in the Framework.<sup>2</sup></p> <p>The Bank’s Green Bond Allocation and Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices.</p>	<p><b>Positive</b></p>

<sup>2</sup> The assessment is based on the information provided in the Issuer’s report. The Issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN, SOCIAL AND SUSTAINABILITY FINANCING FRAMEWORK<sup>3</sup>

The following table evaluates the Green Bond Allocation and Impact Report against the commitments set forth in the Bank’s Framework, which are based on the core requirements of the Green Bond Principles as well as best market practices.

GREEN BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
<p><b>1. Use of Proceeds</b></p>	<p>Co-operative Bank confirms to follow the Use of Proceeds’ description provided in the Framework. The report is in line with the initial commitments set in the Framework: to (re)finance Green Buildings.</p> <p>The Issuer’s green categories align with the project categories and are in accordance with the eligibility criteria set in the Framework. Environmental benefits at category level are described and quantified.</p> <p>For the two Green Bonds issued in 2023, with ISIN XS2606337082 (issued on May 24, 2023) and ISIN XS2702921607 (issued on November 22, 2023), the Issuer transparently reports that 100% of the proceeds are allocated towards eligible assets, meeting its commitment to achieve full allocation within 12 months of the bond’s issuance.</p> <p>The Issuer has followed the look-back period of 24 months for the refinancing of eligible projects.</p>	<p>✓</p>
<p><b>2. Process for Project Evaluation and Selection</b></p>	<p>The Bank confirms to follow the Process for Project Evaluation and Selection description provided in the Green, Social, and Sustainability Financing Framework. The report is in line with the initial commitments set in the Bank’s Framework, which includes the engagement of the Bank’s Value, Ethics and Sustainability Executive</p>	<p>✓</p>

<sup>3</sup> The Co-operative Bank’s Green, Social and Sustainability Financing Framework was assessed as aligned with the ICMA’s Green Bond, Social Bond and Sustainability Bond Principles as of February 2022.

	<p>Committee (“VESCo Committee”) during the project evaluation and selection process.</p> <p>The projects selected are defined and structured in a congruous manner. The Issuer ensures compliance with the Eligibility Criteria. ESG risks associated with the project categories are identified and managed through an appropriate process.</p> <p>The VESCo Committee has verified the alignment of selected assets to the eligible asset criteria, including compliance with the exclusion list and Ethical Policy referenced in the Framework.</p>	
<p><b>3. Management of Proceeds</b></p>	<p>The Bank confirms to follow the Process for Management of Proceeds description provided in the Framework. The report is in line with the initial commitments set in the Bank’s Framework to set up an internal information system enabling the recording and tracking of the Eligible Assets, ensuring the net proceeds of the green, social, and sustainability debt instruments will be allocated accordingly until the relevant instruments mature.</p> <p>The proceeds from the bond issuance in April 2022 have been fully allocated and the allocation and impact of the proceeds have been disclosed in the 2023 Green Bond Allocation and Impact Report.</p> <p>The Bank has allocated 47.5% (GBP 95M) of the bond’s proceeds from the May 2023 issuance to the financing of new assets with the remainder of 52.5% (GBP 105M) of proceeds towards the refinancing of eligible green assets. Additionally, the Bank has allocated 100% (GBP 200M) of the bond proceeds from the November 2023 issuance towards the refinancing of eligible green assets. The proceeds are tracked in an appropriate manner and attested in a formal internal process.</p> <p>The Issuer intends to reallocate the proceeds to achieve its commitment of allocating 50% of the proceeds to the</p>	<p style="text-align: center;">✓</p>

	financing of new assets and 50% to the refinancing of assets over time. <sup>4, 5</sup>	
<b>4. Reporting</b>	<p>The Bank’s Green Bond Impact Report is in line with the reporting commitments outlined in the Framework. The Framework includes the Bank’s commitment to report on the allocation and impact of proceeds in the Bank’s annual report, which is made publicly available on the Bank’s website. Allocation reporting includes the summary terms of the green, social, and sustainability debt instruments issued during the reporting period, the proportion of financing vs. refinancing, gross lending to each borrower segment, the mapping of loans to the relevant SDGs, and the temporary use of proceeds. The Bank also reports on the relevant impact indicators including annual energy savings in MWh.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	✓
<b>5. Verification</b>	ISS Corporate has provided a Second Party Opinion (SPO) on the Bank’s Green, Social, and Sustainability Financing Framework.	

<sup>4</sup> Co-Operative Bank notes that 2.5% of the proceeds (GBP 5M) from the bond issued in May 2023 are temporarily held against eligible green assets within the asset pool, which have been originated before issuance. The Bank anticipates to allocate these proceeds to new assets by May 2024.

<sup>5</sup> Co-Operative Bank notes that 50% of the proceeds (GBP 100M) from the bond issued in November 2023 are temporarily allocated to eligible green assets within the asset pool, which have been originated before issuance. The Bank anticipates to allocate these proceeds to new assets by November 2024.

## PART II: ASSESSMENT AGAINST ICMA HARMONISED FRAMEWORK FOR IMPACT REPORTING

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Green bond Issuers are required to report on both the use of green bond proceeds, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. ICMA’s Harmonised Framework for Impact Reporting (HFIR) has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Co-operative Bank’s Green Bond Allocation and Impact Report against ICMA Harmonised Framework for Impact Reporting (HFIR).

CORE PRINCIPLES		
ICMA HFIR	GREEN BOND ALLOCATION & IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	The Bank has reported within one year from the issuance of the first green bond in 2023 and thereafter within one year from the last report Green Bond Allocation and Impact Report. The report will be made publicly available on the Bank’s website.	✓
Illustrating the environmental impacts or outcomes	The assessment and measurement of the impacts generated by the Bank’s Green Bond(s) covered the following areas: <ul style="list-style-type: none"> <li>a. Environmental classification for Green Residential Buildings.<sup>6</sup></li> <li>b. Loan to Value (LTV)-weighted CO<sub>2</sub> emissions intensity (kgCO<sub>2</sub>/ m<sup>2</sup>/y).</li> <li>c. % of energy use reduced/avoided vs local baseline/building code.</li> <li>d. Annual GHG emissions reduced/avoided in tons of CO<sub>2</sub>e vs local baseline.</li> </ul>	✓
ESG Risk Management	All potential Eligible Assets are subject to the Bank’s regular credit processes, including Know Your Customer (KYC)/ customer acceptance standards and credit risk assessments. Additionally, all eligible assets comply with	

<sup>6</sup> The certifications obtained for all assets were EPC A (2.4%) and EPC B (97.6%)




	<p>applicable UK and international environmental and social standards and regulations, as well as the Bank’s standards and policies, which can be found on the Bank’s website. These policies include the Bank’s ethical policy, Code of Conduct Policy, Sustainable Procurement Supplier Policy, and Anti-Money Laundering (AML), Counter Terrorist Financing (CTF) and Financial Sanctions (FS) policies, amongst others. Sustainability is an inherent part of this assessment process within the Ethical Policy.</p>	
Allocation of proceeds - Transparency on the currency	The Issuer reports the cash flows related to the Green Bond and the allocations to the projects in GBP.	✓

**RECOMMENDATIONS**

ICMA HFIR	GREEN BOND ALLOCATION & IMPACT REPORT	ASSESSMENT
Define and disclose period and process for Project Evaluation and Selection	<p>The entirety of proceeds has been allocated to Green Assets. The modification (removal or additional projects) of the portfolio is planned, as the Issuer reallocates the temporary proceeds from the existing assets in the portfolio to the financing of new eligible assets.</p> <p>The Issuer followed a transparent process for selection and evaluation of Eligible Green Projects. Projects financed and/or refinanced through the Green Bonds issued under the Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.</p>	✓
Disclose total amount of proceeds allocated to eligible disbursements	<p>A total of GBP 250M has been raised through Issuer’s Green Bond issued in April 2022. 100% of the proceeds have been allocated to Green Assets.</p> <p>A total of GBP 200M has been raised through Issuer’s Green Bond issued in May 2023, and 100% of the proceeds have been allocated to eligible green assets. The Bank has allocated</p>	✓

	<p>47.5% of the proceeds towards the financing of new assets, 50% of the proceeds towards the refinancing of assets, and an additional 2.5% of the proceeds are also temporarily allocated against refinancing green assets within the asset pool until the Issuer reallocates these proceeds for the financing of new eligible assets.</p> <p>A total of GBP 200M has been raised through the Issuer’s Green Bond issued in November 2023, and 100% of the proceeds have been allocated to eligible green assets. The Bank has allocated 50% of the proceeds towards the refinancing of assets. The remaining 50% of the bond proceeds are also currently temporarily allocated towards the refinancing of eligible green assets until the Issuer reallocates these proceeds for the financing of new eligible assets.</p>	
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	The Issuer followed a transparent process for the allocation of proceeds as committed to in the framework.	✓
Report at project or portfolio level	The Green Bond Allocation & Impact Report includes the total amount of proceeds allocated on an aggregate basis (portfolio level).	✓
Describe the approach to impact reporting	The Issuer identifies the specific eligible assets and clearly defines, for each project, the total project’s allocated proceeds.	✓
Report the estimated lifetime results and/or project economic life (in years)	The Issuer reports on the average portfolio remaining lifetime (25.3 years) for the eligible project category.	✓
Ex-post verification of specific projects	The Issuer currently does not have ex-post verification of specific projects.	-
Report on at least a limited number of sector specific core indicators	The Co-operative Bank reports on the Energy Performance Certificate (EPC) standards as a core indicator for the Green Building sector.	✓

	<p>A description of core environmental impacts for each target area is available in the report:</p> <ul style="list-style-type: none"> <li>▪ EPC certification level.</li> <li>▪ LTV-weighted CO<sub>2</sub> emissions intensity (kgCO<sub>2</sub>/ m<sup>2</sup>/y).</li> <li>▪ % of energy use reduced/avoided vs local baseline/building code.</li> <li>▪ Annual GHG emissions reduced/avoided in tons of CO<sub>2</sub>e vs local baseline.</li> </ul>	
<p>If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies</p>	<p>To calculate performance data per loan, Co-operative Bank based the impact calculations on the calculation of avoided CO<sub>2</sub> equivalent emissions. As the actual energy performance data for the properties within the eligible asset portfolio is unavailable, the CO<sub>2</sub> emissions data available through the individual EPC certificates has been used as a proxy for the impact calculations.</p> <p>To provide an approximate indication of the energy efficiency improvements of the EPC A and B certification levels for the mortgage portfolio over the period 6th April 2020 to 31st December 2023 (the "Period"), the Issuer uses energy performance data including energy efficiency ratings, energy use and carbon dioxide emissions and average floor area sizes available from the Department for Levelling Up, Housing and Communities, and Ministry of Housing, Communities and Local Government's dataset on building certificates.<sup>7</sup> This data, alongside the indexed LTV and outstanding mortgage balance was used to calculate the estimated CO<sub>2</sub> emissions avoided p.a. on the EPC A or B rated properties originated over the Period.</p>	

<sup>7</sup> Government of UK, "Live tables on Energy Performance of Buildings Certificates", at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-energy-performance-of-buildings-certificates>

Disclosure on the conversion approach (if applicable)	The Issuer converts units reported for individual assets based on a standard conversion factor (Estimated CO <sub>2</sub> emissions avoided p.a. (kgCO <sub>2</sub> /y) on EPC A/B properties / GBP M invested) and includes appropriate disclosure of the conversion approach in the report.	✓
Projects with partial eligibility	All assets are 100% eligible for financing.	N/A
When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach	The impact of the Bank's assets is reported separately per category.	✓

**OPINION**

*The Bank follows the Harmonised Framework for Impact Reporting (HFIR)'s core principles and key recommendations. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope, and duration, aligned with best practices. The Bank has reported within the next fiscal year after the issuance of the green bonds issued under the Framework, illustrated the environmental impacts or outcomes, provided transparency on ESG risk management, and transparency on the currency used.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

### Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective Use of Proceeds' categories.

The Use of Proceeds allocation reporting occurred within one year from the issuance of any of the green bonds issued under the Framework.

This is the second year of allocation reporting for the green bond issued in June 2022 and the first year of allocation for the green bonds issued in May 2023 and November 2023 respectively. The Bank has achieved full allocation for the green bonds issued in June 2022, May 2023, and November 2023. The Use of Proceeds allocation reporting occurred within the regular annual cycle from the issuance.

The Issuer has temporarily allocated GBP 5M from the green bond issued in May 2023 and GBP 100M from the green bond issued in November 2023 to eligible green assets within the asset pool, which have been originated before issuance (refinancing) and will be reallocated to new financing by May 2024 and November 2024 respectively.

### Proceeds allocated to eligible assets

The proceeds' allocation is broken down at the asset level, by EPC level, and by country. The Bank issued GBP 250M notional of Green Bonds in April 2022, GBP 200M notional of Green Bonds in May 2023, and GBP 200M notional of Green Bonds in November 2023. Proceeds totaling GBP 650M from the three bond issuances have been allocated to UK residential mortgages with an EPC rating of A or B.<sup>8</sup> The Issuer has provided details about the type of assets included in the portfolio.

The allocation report section of the Green Bond Allocation and Impact Report of the Bank aligns with best-market practices by providing information on:

- The total amount of proceeds in GBP.
- Number of A and B EPC-rated properties financed.
- The breakdown of the Eligible Asset Portfolio, by EPC, by country and by mortgage completion year.
- The proportion of financing and refinancing.
- Description of the energy performance ranking (top 12.1% as at 31 December 2023) in UK for A and B EPC-rated residential properties.

<sup>8</sup> 100% of the amount issued in April 2022, 100% of the amount issued in May 2023, and 100% of the amount issued in November 2023.

### Impact Reporting Indicators



The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome, and/or impact of assets using impact indicators.

ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The impact indicators chosen by the Issuer for this bond are the following:</p> <ul style="list-style-type: none"> <li>a) Number of EPC A or B properties</li> <li>b) Gross Floor Area for EPC A or B properties (in m<sup>2</sup>)</li> <li>c) LTV-weighted absolute estimated CO<sub>2</sub> emissions and emissions intensity from EPC A or B properties (in t CO<sub>2</sub>/y and kg CO<sub>2</sub>/m<sup>2</sup>/y)</li> <li>d) Percentage of energy efficiency improvement of EPC A or B vs total mortgage origination with a valid EPC over the Period</li> <li>e) Estimated CO<sub>2</sub> emissions and emissions intensity avoided on EPC A or B properties (in kg CO<sub>2</sub>/y and kg CO<sub>2</sub>/m<sup>2</sup>/y)</li> <li>f) Estimated CO<sub>2</sub> emissions avoided on EPC A or B properties per GBP M invested (in kg CO<sub>2</sub>/y/GBP M)</li> </ul> <p>These indicators are quantitative and material to the Use of Proceeds categories financed through this bond and in line with the Suggested Impact Reporting metrics for Green Building Projects by the ICMA Harmonized Framework for Impact Report for Green Bonds. This aligns with best market practices.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p>For its impact indicators, the Issuer uses EPCs and avoided CO<sub>2</sub> equivalent emissions, in line with the core indicator proposed by the ICMA Harmonized Framework for Impact Reporting. As actual energy performance data for the eligible asset portfolio is unavailable, the Issuer uses the Gross Floor Area and CO<sub>2</sub> emissions data from the available EPC certificate as a proxy, alongside the indexed LTV and outstanding mortgage balance to calculate the estimated CO<sub>2</sub> emissions avoided. The impact data has not been verified.</p>
<p><b>Baseline selection</b></p>	<p>The impact data used are regional, national, or internationally recognized standards, EPCs, against which the green building projects can be benchmarked. Moreover, the Issuer compares the impact data with the average of the total mortgage portfolio originated over a similar Period. In this sense, the report is in line with the suggestion of the ICMA Harmonized Framework for Impact Reporting.</p>

<b>Scale and granularity</b>	The impact data is presented at the Use of Proceed category level for the indicators.
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### High-level mapping of the impact indicators with the UN Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer’s Green Bond Allocation and Impact Report, the impact indicator(s) adopted by the Bank for its green bonds can be mapped to the following SDGs, according to ISS ESG SDG Solutions (SDGA), a proprietary methodology designed to assess the impact of an Issuer’s product or services on the UN SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<ul style="list-style-type: none"> <li>▪ Number of EPC A or B properties.</li> <li>▪ Gross Floor Area for EPC A or B properties (in m<sup>2</sup>).</li> <li>▪ Percentage of energy efficiency improvement of EPC A or B vs total mortgage origination with a valid EPC.</li> <li>▪ LTV-weighted absolute estimated CO<sub>2</sub> emissions and emissions intensity from EPC A or B properties (in t CO<sub>2</sub>/y and kg CO<sub>2</sub>/m<sup>2</sup>/y).</li> <li>▪ Estimated CO<sub>2</sub> emissions and emissions intensity avoided (in kg CO<sub>2</sub>/y and kg CO<sub>2</sub>/m<sup>2</sup>/y).</li> <li>▪ Estimated CO<sub>2</sub> emissions avoided per GBP M invested (in kg CO<sub>2</sub>/y/GBP M).</li> </ul>	 

**OPINION**

*The allocation of the bonds’ proceeds has been disclosed with a detailed breakdown on an eligible asset category as proposed in the Framework, and the Green Bond Allocation and Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies, and granularity reflecting best market practices. Besides, the impact indicators used align with best market practices using ICMA’s recommended metrics in the HFIR.*



## DISCLAIMER

1. Validity of the External Review ("External Review"): Valid for the Green Bond Allocation & Impact Report issued on 27, March, 2024.
2. ISS-Corporate, a wholly-owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate' proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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The parent company of Institutional Shareholder Services ("ISS"), ISS HoldCo Inc., has since February 2021 been principally owned by Deutsche Börse AG ("DB") with the remainder



owned by Genstar Capital (“Genstar”) and ISS management. In April 2023, DB announced its intention to combine ISS with Qontigo, another entity controlled by DB, with General Atlantic to become the sole minority shareholder of the combined entity. The combination is expected to be completed in the third quarter of 2023. In July 2023, the stakes of Genstar and ISS management in ISS HoldCo Inc. were acquired by DB. The non-interference and similar policies implemented by ISS related to Genstar are no longer applicable and disclosures regarding Genstar and ISS management’s ownership of ISS are withdrawn.

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## ANNEX 1: Methodology

### Review of the post-issuance Reports

The ISS-Corporate Report Review provides an assessment of labelled transactions reporting against international standards using ISS-Corporate proprietary methodology.

### High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMAs Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent to the Issuers reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Green Bond Allocation & Impact Report
- Green, Social and Sustainability Financing Framework
- Proceeds Allocation
- Reporting Impact Indicators
- Methodologies, and assumptions for data gathering and calculation
- ESG Risk Management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with The Co-operative Bank took place from February to March 2024.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess the alignment of the Issuer's report with external principles (e.g., ICMA Green / Social Bond Principles, ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyze the alignment of the Issuer's Report against the commitments in the respective Framework, and analyze the disclosure of proceeds allocation, the data source, and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well as informed as possible about the proceeds allocation and the impact of the sustainability finance instrument(s).

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information on Report Review services, contact: [SPOsales@isscorporatesolutions.com](mailto:SPOsales@isscorporatesolutions.com)

### Project team

#### Project lead

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Senior Associate  
Sustainable Finance Research

#### Project support

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Sustainable Finance Research

#### Project supervision

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Beaudoin  
Associate Director  
Head of Sustainable  
Finance Research