

Yorkshire Building Society Modern Slavery Act Transparency Statement

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 (the Act) and sets out the steps that Yorkshire Building Society (YBS) and its subsidiaries has taken to prevent slavery and human trafficking taking place in our supply chains or any parts of its business.

About Yorkshire Building Society

YBS is the third largest building society in the UK, with around 2.7 million members. YBS also trades under the brands Chelsea Building Society, Norwich & Peterborough Building Society and through our wholly owned intermediary lending subsidiary, Accord Mortgages Ltd (Accord). YBS also includes YBS Covered Bonds LLP (YBS being one of the members). YBS is UK-based, with our principal office in Bradford and is regulated by both the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

YBS's main business is the provision of mortgages and savings accounts through our national network of branches and agencies, our customer contact centres and our online channel. We also offer YBS and Accord products and related financial services through intermediaries, such as mortgage brokers, and other providers, such as insurance companies, who are themselves subject to UK regulation. We provide finance to businesses, and for social housing. YBS Share Plans is a party of YBS and administers employee share schemes for companies around the world.

Managing the Risk of Modern Slavery

Procurement of Goods and Services

Procurement of goods and services is mainly via YBS, which has a broad range of predominately UK based suppliers, as well as a small number of international suppliers. YBS has a centralised Supply Chain function which incorporates Procurement and Supplier Relationship Management specialisms.

Where we do use services outside of the UK, these suppliers are predominantly based in India, and we use a mixture of offshore based (i.e. services that are not provided in our offices, but abroad) and onshore (within our offices) arrangements. As well as having the requisite contractual controls in place, there are rigorous on-boarding checks defined by our HR team. These are carried out on all individuals working at YBS locations, including those from suppliers based outside of the UK.

Our Supply Chain processes include both due-diligence checks before we enter into contracts with suppliers and regular ongoing risk monitoring to ensure the risk profile of a supplier has not changed. Our approach to risk monitoring and due diligence is reviewed on a regular basis and we seek to improve these processes continually, through supplier engagement, raising awareness of issues and requirements, and by delivering training to our key staff, who manage the relationships with our suppliers. We understand the importance of this and will continue to invest in our capabilities in our Procurement and supplier risk management.

We have a standard contractual clause setting out our position on Modern Slavery that can be used in contracts with suppliers and we have published a set of [Minimum Standards for Suppliers](#) that also includes our position on Modern Slavery. This document is referenced in all formal Procurement activities managed by Supply Chain.

Our Customers and our Colleagues

As a mutual organisation, YBS is owned by and accountable to its members. Accord is a wholly owned intermediary lending subsidiary, and is therefore not a mutual, but is regulated by the FCA and is required to act in accordance with YBS policies and controls. Our purpose is to help people achieve their life goals; we call it providing Real Help with Real Life. For us, as a building society, it means delivering three central ambitions:

- helping people to have a place to call home,
- helping them towards greater financial wellbeing, and
- creating long-term value for our members.

We have around 3,300 colleagues, but where appropriate, also engage contingent workers (over 1200) to meet our additional or specialist resource requirements. All colleagues are employed by YBS, and are carefully checked and vetted before they

start work. In addition to this, they receive regular training to ensure they understand and comply with our values and policies and all colleagues earn at least the Real Living Wage and are eligible to join an independent union.

Risk Assessment and Due Diligence

We operate in a highly regulated sector and are therefore cognisant of the need to mitigate the risk of facilitating Modern Slavery and Human Trafficking (MSHT) in our supply chain and through our business operations. We maintain robust risk assessment and due diligence checks and actively seek to improve our controls within this area.

We conduct regular business-wide Financial Crime Risk Assessments, which review our level of risk and control in all areas of financial crime, including Modern Slavery and Human Trafficking (MSHT), and continue to enhance the control framework on an ongoing basis.

Our Policies in relation to Modern Slavery

All relevant business-wide policies include appropriate reference to and consideration of the risk of MSHT. These policies include our:

- Ethics Policy;
- Financial Crime Policy;
- Whistleblowing Policy;
- Employee Code of Conduct;
- Supplier Procurement Code of Conduct and Minimum Standards for Suppliers.

Our local procedures are designed to ensure that behaving ethically towards our customers, employees and suppliers is at the heart of our business. We also operate numerous risk controls to protect our members' money and personal information, and to ensure that our systems and services are not used to perpetrate or facilitate crime, including Modern Slavery offences. This includes a requirement for customer-facing colleagues to remain vigilant and report any suspicious activity that may be linked to Modern Slavery or Human Trafficking.

What we pledged to do in 2020

In our previous statement, we pledged to further strengthen our controls in Modern Slavery by the following pledges:

Pledge 1 - Delivery of additional targeted training and awareness of Modern Slavery and Human Trafficking (MSHT) to colleagues.

As a result, we created a mandatory training module on MSHT for all colleagues. We also devoted a full edition of our internal Financial Crime awareness publication to MSHT, including 'red flags'. Additional training material was also created on 'how to raise customer concerns' in relation to MSHT for colleagues.

Pledge 2 - Further strengthening of controls in our Procurement function.

As a result, we have added a Modern Slavery risk assessment to our supplier risk triage process, as part of the due diligence process for suppliers.

Pledge 3 - Increasing our engagement with external Working Groups in partnership with businesses across the country.

As a result, we engaged with the National Crime Agency (NCA) specifically on MSHT, to gain insight and knowledge around best practice in information gathering and sharing with our enforcement agencies. We also engaged with 'Stop the Traffik' to discuss our internal MSHT working group strategy. Similarly, we attended a number of seminars, raising awareness of these issues, including one sponsored by Wm Morrison Supermarkets.

Other things we've achieved in 2020...

As part of our newly formed working group in 2020, we have achieved several key improvements in relation to preventing Modern Slavery in our business. As well as refining our mandatory training, raising awareness and engaging with external

groups, we have made reporting suspicions about Modern Slavery by customer-facing colleagues easier, by improving the reporting form to allow for a separate category for MSHT suspicions.

Plan for further work in 2021

YBS has a commitment to consider how well our Modern Slavery controls are operating, and if we can improve these further as part of our business practices.

In 2021, we plan in our Working Group to further consider our approach and controls through:

- Carrying out a learning needs analysis with the business of departments requiring additional targeted training and awareness on MSHT, and then delivering this support;
- Improving the supplier risk triage process, and looking to strengthen our Modern Slavery considerations, risk assessment and controls further;
- Refining our wider control framework for MSHT, as part of our 2021 enterprise wide Financial Crime Risk Assessment

YBS continually strives to improve our controls in relation to Modern Slavery and remain committed to actively helping prevent Modern Slavery and Human Trafficking.

This statement was approved by the Boards of YBS and Accord on 23rd and 29th March 2021 respectively and is signed on behalf of those Boards by Stephen White (Chief Operating Officer, YBS; Director, Accord Mortgages Limited):



This statement covers the period of the financial year 1 January 2020 to 31 December 2020.

This statement was correct at the time of publication on 1st April 2021. Changes in circumstances since may affect its accuracy.