

2024 Modern Slavery Transparency Statement

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

About Yorkshire Building Society

YBS is the third largest building society in the UK, with around circa 3 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 act as a distributor for home insurance with a third-party relationship, who are themselves subject to UK regulation. We provide finance to businesses, and for social housing.

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 incorporating Procurement, which works alongside a network of Supplier Relationship Management specialists from different parts of the Society.

Where we do use services outside of the UK, 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 on-boarding checks defined by Financial Crime. 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 competitive tender processes.

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 key life moments; we call it providing Real Help with Real Life. For us, as a building society, it means delivering four central ambitions:

- Double reach and deepen impact
- Create joyful experiences
- Cultivate an ambitious culture
- Build a future ready Society

We have around circa 3,500 colleagues, but additionally and where appropriate, also engage contingent workers (circa 1,500) as well as meeting our additional or specialist resource requirements via suppliers. All colleagues are employed by YBS, and all our colleagues are carefully checked and vetted before they start work. In addition to this, all receive regular training to ensure they understand and comply with our values and policies. 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 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 improve the efficiency and effectiveness of these reviews, ensuring they are risk based.

Our Policies in relation to Modern Slavery

The following business-wide policies include appropriate reference to or consideration of the risk of MSHT. These policies include:

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

MSHT forms part of our overall Environmental, Social and Governance (“ESG”) strategy. Our local procedures are designed to ensure that we are meeting the expectations of our stakeholders and that they are at the heart of our business decisions, which include regulators, customers, employees and suppliers. We also operate various controls to protect our members’ money and personal information, and safeguard our systems and services, so they are not used to perpetrate or facilitate crime, including Modern Slavery offences. This includes a requirement for colleagues to remain vigilant and report any suspicious activity that may be linked to Modern Slavery or Human Trafficking.

Mandatory Modern Slavery training is in place for all colleagues, which includes an understanding of the legal implications and how to identify and escalate red flags. Over the last 2 years this was enhanced by additional, bespoke training delivered to teams identified as higher risk.

Our 2023 Pledges

The following were Yorkshire Building Society’s 2023 Modern Slavery pledges which were successfully delivered within the year.

Pledge 1 - Provide ongoing Modern Slavery training and support to the areas of the business with a higher likelihood of identifying Modern Day Slavery (“higher risk areas”)

Targeted training delivered to all high-risk customer facing areas.

Pledge 2 - Fully embed Modern Slavery within the financial crime risk assessment of suppliers

All new suppliers to the Society follow the new Financial Crime Risk Triage Assessment Process.

Pledge 3 - Determine and implement the appropriate approach to Modern Slavery risk within first line of quality assurance of higher risk areas

First line assurance teams (Residential, BTL and Commercial Lending) complete enhanced quality checks for Modern Slavery.

Pledge 4: Support people leaders in the highest risk areas to manage any identified colleague related Modern Slavery risks

A process has been agreed and implemented to support colleagues at risk of Modern Slavery.

Pledge 5: Ensure the Society's approach to Modern Slavery remains appropriate given the Society's strategic direction and the external environment. Enhance this by using insight from external sources.

Select colleagues received additional training following external intel of a heightened Modern Slavery risks.

Our 2024 Pledges

YBS is committed to helping prevent Modern Slavery and Human Trafficking by actively assessing the effectiveness of our Modern Slavery controls, to determine whether business practices can be improved.

In 2024, we will further enhance our approach and improve our controls via the following pledges:

1. Refine and enhance the mandatory Modern Slavery module (AML), and pro-actively promote drop-in sessions to all high-risk areas to continue Policy adherence.
2. Actively assess Modern Slavery process adherence within the Supply Chain & other Contractual Relationships which sit outside of the Third-Party Risk Framework.
3. Drive communications to uplift colleagues' knowledge and awareness of Modern Slavery Policy and their responsibilities.
4. Review the Society's Policies and Processes in higher risk areas to ensure Modern Slavery Policies are considered and referenced.
5. Ensure the Society's approach to Modern Slavery remains in line with the Society's strategic direction and the external environment. Enhance this by using insight from external sources.

This statement was approved by the Boards of YBS and Accord in March 2024 respectively and is signed on behalf of those Boards by David Morris (Chief Commercial Officer and Executive Director, YBS: Chair of the Board, Accord Mortgages Limited).



This statement covers the period of the financial year January 2023 to December 2023.

This statement was correct at the time of publication on 28 March 2024. Changes in circumstances since may affect its accuracy.