

## 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 over 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. YBS is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

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

### Procurement of Goods and Services

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

We use a mixture of offshore (i.e. services that are not provided in our offices, but abroad) and onshore supplier arrangements (i.e. within UK or within our offices). Where we do use services outside of the UK, these suppliers are predominantly based in India. As well as having the requisite contractual controls in place, there are rigorous on-boarding checks that are defined by our HR team, 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 that the risk profile of a supplier has not changed.

We review this approach on a regular basis and 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. YBS continues to invest in our capabilities in our Procurement and supplier risk management.

We now have a defined contractual clause that can be included in supplier contracts regarding our commitment to Modern Slavery, asking that the supplier comply with Modern Slavery laws. In addition to this we have published a set of [Minimum Standards for Suppliers](#) on our website and this is referenced in all formal tenders run by Procurement. This also details our approach to Modern Slavery.

We therefore, consciously try to mitigate the risk of facilitating Modern Slavery and Human Trafficking in our supply chain and business operations.

### Managing the risk of Modern Slavery

As a mutual organisation, YBS is owned by and accountable to its members. Accord is 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 and helping them towards greater financial wellbeing, whilst creating long-term value for our members.

We have around 3, 400 colleagues, but also engage contingent workers to meet our additional or specialist resource requirements. All colleagues are employed by YBS and all of our colleagues and workers are carefully checked and vetted before they start work and 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.

We operate in a highly regulated sector, and as a business we maintain robust risk assessment and due diligence checks within our supply chain and procurement function; nonetheless we actively seek to improve our controls within this area.

Our policies and procedures are designed to ensure that behaving ethically towards our customers, employees and suppliers is at the heart of our business. All relevant business-wide policies include appropriate reference to and consideration of the risk of Modern Slavery and Human Trafficking. We also operate numerous

## Yorkshire Building Society Modern Slavery Act Transparency Statement

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. 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.

### Plan for further work in 2020

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 2020, we plan in our Working Group to consider our approach and controls through:

- Delivery of additional targeted training and awareness on Modern Slavery and Human Trafficking;
- Further strengthening of controls in our Procurement function;
- Increasing our engagement with external Working Groups in partnership with businesses across the country.

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

This statement was approved by the Boards of YBS and Accord on 25 and 26 of March 2020 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 January 2019 to December 2019.

This statement was correct at the time of publication on 2 April 2020. Changes in circumstances since may affect its accuracy.