

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 Group has taken to ensure that slavery and human trafficking is not taking place in its supply chains or any parts of its business. To the extent relevant, this statement also applies to YBS's subsidiaries and other group entities (YBS Group).

YBS is the third largest building society in the UK, with over 3 million members. YBS also trades under the brands Chelsea Building Society and Norwich & Peterborough Building Society and through our wholly-owned intermediary lending subsidiary, Accord Mortgages Ltd (Accord). YBS Group also includes YBS Covered Bonds LLP (YBS being one of the members). YBS Group 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 Group'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 a limited amount of finance to businesses and housing associations. YBS Share Plans is a division of YBS and administers employee share schemes for companies around the world. Procurement of goods and services is mainly via YBS, which has a broad range of UK suppliers, as well as some international suppliers.

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 covered by YBS policies and controls. YBS Group's core value is that our customers are at the heart of everything we do and it is our vision to be the most trusted provider of financial services in the UK. Given the regulated nature of our business, and the fact that we do not have extended supply chains or obtain material services from third parties located in high risk countries, we have a low risk of modern slavery and human trafficking within our business operations and supply chain; nonetheless we actively seek to improve our controls within this area.

Our policies and procedures are designed to ensure that ethical behaviour forms the bedrock of all aspects of our business. All relevant policies include appropriate references to the risk of modern slavery and human trafficking. 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. This includes a requirement for customer-facing colleagues to remain vigilant and report any suspicious activity that may be linked with modern slavery or human trafficking.

We have over 3,000 colleagues, but also engage contingent workers when we need additional or specialist resources. All colleagues are employed by YBS. 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 of our colleagues earn at least the Real Living Wage and are eligible to join an independent union.

Our supply chain processes include both due diligence checks before we enter into contracts and regular ongoing risk monitoring. We review our approach on a regular basis and seek to improve continually through ongoing risk assessment, supplier engagement, raising awareness of issues and requirements, and by delivering training to our key staff. We continue to make significant investment in resources and systems to upgrade our procurement and supplier risk management capability.

YBS Group remains committed to doing everything we reasonably can to contribute toward helping eradicate modern slavery and human trafficking.

This statement was approved by the Boards of YBS and Accord Mortgages Limited on 27 and 26 of February respectively and is signed on behalf of those Boards by Stephen White (Chief Operating Officer, YBS; Director, Accord Mortgages Limited):



This statement was correct at the time of publication on 13 March 2019. Changes in circumstances since may affect its accuracy.