

Modern Slavery Act Transparency Statement 2025

Our commitment to our legal obligation

This is our ninth Modern Slavery Act Transparency statement.

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 (“the Act”) and sets out the steps that Leeds Building Society, together with its subsidiary and associated companies, have taken in 2024 to provide us with reasonable assurance that slavery and human trafficking are not taking place in our supply chains or any parts of our business.

Our organisational structure and what we do

Leeds Building Society (“the Society”) is the UK’s fifth largest building society providing savings and mortgage services to around 950K members. We are a proud mutual, owned by our members: the people who have mortgages and savings with us. We have a wide, award-winning range of savings and mortgages. Our purpose is to put home ownership within reach of more people generation after generation. Whether you’re just getting onto the property ladder or heading into retirement, we’re here to help.

We are now based entirely in the UK and our Head Office is located in Leeds, West Yorkshire. We pride ourselves on the service we provide our members through the Society’s national branch network, online, our contact centres, and our intermediary network in relation to home finance products.

The Society employs approximately 1800 colleagues directly. We also complement the skills and expertise of our colleagues via the services provided by a number of third party suppliers. These suppliers are managed diligently to ensure that they match the expectations of the Society in relation to slavery and human trafficking.

The Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Society’s trading subsidiary and associated companies are Leeds Mortgage Funding Limited and Leeds Building Society Covered Bonds LLP.

Our supply chain

The Society’s supply chain includes circa 500 suppliers of goods and services that we buy from the external market. These goods and services include professional services (such as conveyancing services), office consumables, corporate clothing and IT software. The regulated nature of financial services means that we operate within a low-risk industry for modern day slavery, we do however remain vigilant and take our responsibilities under the Act seriously.



Leeds Building Society

To support our commitment, we have due diligence processes and risk management procedures in place to effectively manage our third party relationships. Details of these are in the next section. Additionally, we require all of our suppliers to abide by our Supplier Code of Conduct which sets out what we need our suppliers to do to enable our relationship to continue. It includes a number of activities which will help to detect and eradicate slavery and human trafficking within their business that, in turn, provides assurance that our supply chains are free of slavery and human trafficking.

Our due diligence processes and risk management processes

There are three elements to our business where we ensure we complete sufficient due diligence to provide opportunities to identify cases of slavery or human trafficking to allow us to take any necessary action. These three elements are our colleagues, our suppliers and our members.

Colleagues

All colleagues employed directly by the Society are vetted and referenced before they begin work to ensure they have the right to work in the UK.

Once employed, our colleagues are contractually required to adhere to our policies and standards that provide requirements and guidance to help ensure the risk of slavery and human trafficking in the business or supply chains is limited and encourage concerns to be reported.

In 2023, the Society maintained its accreditation as a Living Wage employer by the Living Wage Foundation. As part of our commitment to Fair Reward, we have paid at least the real Living Wage to all colleagues since 2014.

We formally recognise the Leeds Building Society Colleague Association as the only independent trade union available to colleagues for the purposes of consultation on the terms and conditions of employment at the Society.

We understand the importance of colleague wellbeing and the risks associated with financial problems or other challenging circumstances. Therefore, we offer a 24/7 colleague assistance programme to enable colleagues to access counselling, legal advice and more. We also have a network of trained mental health first aiders throughout the Society who are available to offer guidance and support to colleagues who request this.

Suppliers

As detailed in our policy section below, we have implemented a Third Party Management policy. Underpinning this we have a set of standards including our Onboarding & Due Diligence Standard, Contracting Standard, and Third Party Management Standard. The policy and standards are updated on a periodic basis and were last reviewed and updated in October 2023.



Leeds Building Society

Colleagues across the Society are advised by our Third Party Management team, on a case-by-case basis, on due diligence at the point of entry into supplier arrangements. We take a risk-based approach and place particular focus on industries that carry a higher risk of slavery or human trafficking. The due diligence we complete is appropriate and proportionate to the risks involved for individual arrangements. As part of onboarding suppliers, we undertake checks to provide us with assurance that suppliers are also paid the real Living Wage. For any suppliers providing human resources, we ensure that the supplier has carried out vetting and reference checks equivalent to our own.

To further enhance our due diligence processes, in 2022, we launched a sustainability due diligence tool which specifically focuses on sustainable procurement and labour and human rights. We now have a process in place for enhanced screening of our third party suppliers that present a higher risk of slavery.

Modern Slavery clauses are included in the Society's standard supplier agreements. When contracting on a supplier's standard terms the Society looks to ensure requisite modern slavery provisions are included.

Oversight and governance is provided by our Operational Resilience Committee and operational areas are expected to attest against controls on at least an annual basis under the Risk Management Framework.

Members

To help our colleagues identify members who could be at risk of slavery or human trafficking or have been subject to this, our learning and development team provide vulnerable customer training. Where there are any concerns, colleagues will report these and they will be assessed on a case-by-case basis. Any action taken is always with the best interest of our members at the forefront.

As part of our member onboarding, we carry out due diligence checks to ensure accounts opened meet our carefully agreed criteria and occasions of suspicious activity are picked up and processed appropriately.

We also have ongoing monitoring in place and we have a specialist fraud team who use a defined set of criteria to assess transactions and member activity that could indicate involvement in fraudulent activity some of which could be the result of slavery or human trafficking. Once fraudulent activity is identified, internal processes are followed to ensure appropriate action is taken.

As part of our ongoing strategy, we continue to cherish our branch network which helps our members who use our services via this channel to develop relationships with our branch colleagues. This means colleagues are in a strong position to identify changes in behaviour which could indicate vulnerabilities. In line with the vulnerable customer training, branch colleagues are then able to report any concerns and propose support if needed

Our policies in relation to slavery and human trafficking

Within the Society, ethical and compliant behaviour sits at the heart of what we do. We have implemented a variety of policies and processes which are made available to all of our directly



Leeds Building Society

employed colleagues. These must be adhered to as part of a colleague's contractual obligations and set out the expectations for colleagues to act ethically and with integrity. The policies and standards in the following table detail the documents that help to support the Society's commitment to reducing the risk of modern slavery and human trafficking in the business and the supply chains and provide opportunities to allow any cases to be identified.

Colleague Policy

The policy has been designed to articulate how the Society manages People Risk throughout the employment lifecycle.

Conflict of Interest Standard

The purpose of this standard is to encourage the disclosure of actual, potential or perceived conflicts of interest in order to protect the integrity and reputation of the Society and its members.

Recruitment and Selection Standard

This standard sets out the principles behind our recruitment methods to ensure effectiveness, efficiency and fairness.

Speak Up Standard

The purpose of this standard is to encourage colleagues to report suspected wrongdoing as soon as possible and provide guidance on how to raise a protected disclosure or reportable concern without fear of retribution, victimisation or detriment.

Supplier Code of Conduct

This documents the expectations we have for suppliers including details of processes suppliers should have in place to provide assurance to the Society that our supply chain is free of slavery and human trafficking.

Third Party Management Policy

The purpose of this policy is to set high level standards for the management of third party arrangements, support the operational resilience policy and detail the minimum standards the Society has in place to meet legislative and regulatory requirements associated with managing third parties.

Our training for colleagues in relation to slavery and human trafficking

All colleagues receive regular training on our business values. Training is provided on a variety of topics but colleagues are regularly trained on:

- Matters relating to financial crime and public interest disclosures in accordance with our Speak Up Policy and processes. As part of this training, we also provide awareness material to colleagues to help recognise patterns of behaviour, escalate concerns to the financial crime team and information on how to signpost customers, when safe to do so, to supporting agencies as detailed on this section of our website: [Financial abuse | Leeds Building Society](#).
- How to identify and support vulnerable customers so that those who are at risk of, or are already victims of, slavery or human trafficking can be more easily identified and supported as appropriate.
- Third Party Management. This training has a specific focus on due diligence and third party management responsibilities. This training includes content to ensure that colleagues are able to assess supplier compliance with the Act on an annual basis during the lifetime of the relationship.

Our effectiveness and progress

By adhering to our policies and processes, we are reasonably assured that there have been no cases of modern slavery or human trafficking associated with any of our direct employees or within our supply chains since we started monitoring this. However, we remain committed to ensuring we are able to identify cases and continue to review our policies and procedures to support our efforts.

Focus:

To further enhance our commitment to ensuring there are no cases of modern slavery or human trafficking in our business or supply chains, in 2025 we intend to focus on getting better visibility of the fourth parties we work with and, where our risk assessments indicate we should, we will endeavour to complete appropriate and proportionate checks to identify any cases of slavery or human trafficking beyond our immediate suppliers.

Additional Impact

As part of our commitment to ensuring we are a responsible business, we set up the Leeds Building Society Charitable Foundation in 1999. Since then, the Foundation has donated more than £2 million to 3,000 local projects and good causes across the UK. The Foundation is run independently by a board of eight trustees, who review the applications every three months.

The Foundation receives funding from Leeds Building Society and from members' donations via the [Your Interest in Theirs scheme](#). Members can opt-in to donate the pence of their interest which is then equally split between Leeds Building Society Foundation and our national charity partner.



Leeds Building Society

Via the Foundation, in 2024, we were able to offer support to The Snowdrop Project based in Sheffield. This project has enabled survivors of modern slavery to move into safe temporary accommodation, secure long-term housing and establish the life skills needed to sustain and maintain their homes. In 2024 they supported 80 clients, with 50% moving into a permanent home. We have provided a grant to support the projects work over 3 years.

As modern slavery and human trafficking is unfortunately still an issue, we will continue to explore opportunities to support victims of modern slavery through our work with communities and will seek opportunities to raise awareness of the issues faced.

Statement Approval

The Society remains committed to doing all that it reasonably can to contribute toward helping eradicate modern slavery and human trafficking and will keep policies and procedures under review in 2025.

This statement was approved by our Board on 27 February 2025 and is signed on behalf of the Board by Richard Fearon, Chief Executive Officer.

Richard Fearon
Chief Executive Officer