

Yorkshire Building Society

Change Risk Policy Overview (Supplier Version)

Updated July 2023

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1. Purpose

Introduction

Yorkshire Building Society (YBS) exists to provide real help with real life. Our organisational behaviours to care about people, say it straight, reach for better and make it happen underpin everything we do; the way we operate our business, treat our customers and work with our colleagues and suppliers.

YBS is committed to the highest standards of integrity and social responsibility across its business and its supply chain. YBS expects suppliers to act at all times in accordance with legislative and regulatory requirements and to demonstrate the highest levels of honesty and integrity in all their business activities.

The Purpose of the Policy

This Policy sets out our expectations for suppliers who provide products and services to YBS in support of a change initiative or project. It outlines our requirements for the YBS approach to Change Risk Management and the responsibilities for the identification, assessment and management of change risk. They do not alter or eliminate any contractual requirements or other specifications set out in any contractual agreements entered into between YBS and the supplier.

This Policy Overview was created in November 2020 and updated July 2023. YBS reserves the right to modify this Policy from time to time.

Commitment

As a mutual organisation, we were established over 150 years ago to deliver a positive social impact by helping working people to save, and by pooling these savings together, to buy a home of their own. Our commitment to ensuring good outcomes for our customers, colleagues and our wider society continues today.

2. Definitions

Change - An alteration or introduction of: new ways of working; technology or infrastructure; organisational operating model; people, process, systems and /or supplier capabilities; market regulations or external factors; customer services or experience.

Change comes in various types, e.g. new product propositions, process improvements, technology change, hardware upgrades, regulatory change, systems performance tuning, new supplier service, reorganisation, large IT change, workforce skill set changes.

All change, as defined above, must be reviewed to assess the scale, complexity and impact of change on our customers to ensure we apply the correct levels of control to deliver good outcomes in to live / into BAU.

3. Policy Statements

Adherence to the following policy statements will ensure change that is either centrally managed, overseen by our Transformation department or delivered locally within business units follows the YBS change methodology, 'Our Change Lifecycle' (see appendix 1). This will ensure that change is strategically aligned; prioritised; implemented with the maximum positive benefits; and good outcomes on customers and stakeholders (internal and external) in line with Consumer Duty .

YBS' approach to change risk management must at all times remain aligned and respond where appropriate to changes in the YBS Enterprise Risk Management Framework (ERMF).

1. All change at YBS will use and follow Our Change Framework (Industry Standard) laying out the process, roles & responsibilities, governance, quality assurance, tools, assets, and delivery methods and standards.

2. Colleagues undertaking change will have the change capability and capacity to be able to identify, assess, escalate, and communicate the risks associated with change activities.
3. Change must always seek to deliver good customer outcomes and change proposals must be fully assessed to understand the impact on the customer
4. The impact of change must be understood and managed to reduce and minimise potential disruption on implementation on IT, colleagues, customers, suppliers, and processes
5. All change must be aligned with the Strategic Design Fundamentals (SDF) and change SME are expected to be familiar with the SDFs.
6. Where suppliers or delivery partners are required to deliver change on behalf of the Society, they must adhere to YBS standards. This includes key documents including Statements of work and Commercial contracts
7. Change will follow Governance structure which ensures transparency to help inform appropriate decision making.
8. Learnings from delivery of change need to be realised, tracked, and monitored for future ways of working and improvements for the business to grow in efficiency
9. The closure of change activity will be formally recognised at acceptance into service by IT and the handover of residual risks, relationships services, and benefits realisation to BAU.

4. Implementation and Monitoring

The Change Risk Policy is implemented through the development, delivery and communication of the Change Framework and supporting tools and reporting structures within the Society. Activities are undertaken across YBS to monitor adherence to the Policy. These activities reflect the adoption of ‘three lines of defence’ model and are summarised below:

- Director of IT & Transformation will ensure ongoing independent assessment and assurance of change risk exposures so that impact to Change risk category is assessed, managed, suitably actioned, reported at the IT & Change Risk Forum and escalated to Customer Services Division Risk Committee (CSDRC) and Enterprise Risk Committee.
- The Enterprise Risk Management (ERM) Team is responsible for second line oversight of the application of the Policy. Where appropriate, Compliance Monitoring may review the policy’s application with regards to regulatory expectations and conduct risk management
- The ERM team supports ERC by undertaking periodic assurance over the change risk management framework and for individual high risk change projects, by confirming that the risk management framework has been followed, a summary of the risks has been reported and that change is being delivered appropriately.
- Group Internal Audit as the third line of defence provides assurance on the effectiveness of 1LOD & 2LOD risk management.

In addition to the Change Risk Policy suppliers and YBS Business Relationship Managers will be required to adhere to the Third-Party Risk Management Policy and Framework.