



NHBC Modern Slavery Statement

Relating to the financial year 2023/2024

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Renewal date: September 2025

National House-Building Council (NHBC) is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in respect of carrying on its insurance business and its insurance distribution activities. NHBC is registered in England and Wales under company number 00320784. NHBC's registered address is NHBC House, Davy Avenue, Knowlhill, Milton Keynes, Bucks, MK5 8FP.

Note that only certain parts of NHBC's products and services are within the scope of UK financial services regulation. For more information on our products and services, please see our website nhbc.co.uk or your NHBC product documentation.

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1. Introduction

In the financial year from 1 April 2023 to 31 March 2024, National House-Building Council (NHBC) continued its commitment and activities to combat instances of slavery and human trafficking within its business and supply chain.

2. Structure, business and supply chains

2.1 About NHBC

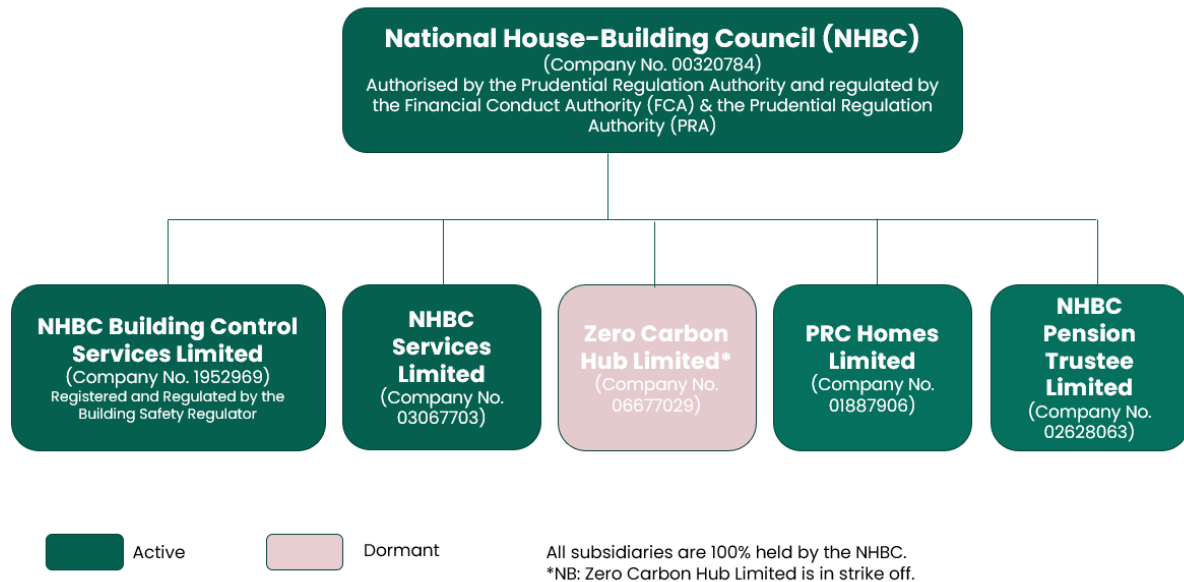
NHBC is the UK's leading provider of warranty and insurance for new-build homes. We are a non-profit distributing organisation with no shareholders. We are independent of government and the construction industry. We are an insurance company authorised by the Prudential Regulatory Authority (PRA) and dual regulated by the PRA and the Financial Conduct Authority. Profits generated from our trading activities are used to bolster our capital base as an insurer and to reinvest in the business to support our purpose.

Our core purpose is to raise standards in house building. We do this by setting NHBC Standards which define the technical requirements to which homes registered with us must be built. We inspect the quality of work through an on-site inspection regime, underpinned by a warranty product to protect homeowners. We also provide a range of construction quality and training services to our registered builder and developer customers, all designed to help raise the quality of new-build homes.

NHBC is the parent undertaking of a Group, structured as shown below. All Group entities are registered in England and Wales.



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2.2 Responsibilities

The executive sponsor for modern slavery within NHBC is NHBC's chief executive officer. NHBC's Board is responsible for approving the Modern Slavery Statement which is published annually on NHBC's external website and on the UK Government's Modern Slavery Statement registry.

NHBC's head of procurement is responsible for managing modern slavery risk within NHBC's supply chain, designing and implementing controls and monitoring their effectiveness.

2.3 NHBC's supply chain

NHBC's supply chain fits into three main categories:

- 1) the settlement of claims activities (eg remedial works contractors and consultants who carry out work in relation to NHBC's Buildmark warranty and insurance products)
- 2) business to business services (eg marketing and events, IT and telecommunications, travel, car fleet, consultancy and other professional services)
- 3) operational services – all other procurement of goods and services (eg personal protective equipment, cleaning, catering, stationery and maintenance of NHBC's offices).



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NHBC has used the Walkfree modern slavery Benchmarking Tool¹ for the last two years to benchmark our progress. Our score has increased from 19 to 21 out of a possible 30. This is higher than the industry average (17) and higher than the overall average score (16).

The tool illustrated that we scored particularly well in the 'Governance and Policy' and 'Risk Assessment and Due Diligence' areas, but that there was room to improve our processes around 'Grievance Mechanisms, Response and Remediation'. We have taken this advice on board and will continue to use this tool in future years.

In 2022, a detailed assessment of NHBC's supplier base was conducted against the Global Slavery Index². NHBC has exposure to eight out of the 18 industries identified as high risk by the Global Slavery Index. The supplier types within those eight industries that have been identified as presenting a particularly high risk for NHBC are as follows:

- remedial works contractors
- hospitality (hotels and meeting venues)
- consumables and PPE
- IT hardware
- cleaning
- catering

Section 4.1 outlines how NHBC manages modern slavery risk by supplier type.

3. Policies

The key policies that are in place relating to modern slavery are outlined below.

3.1 Procurement and Supplier Management Policy

The NHBC Procurement and Supplier Management Policy (the Policy) applies to NHBC and its subsidiaries NHBC Building Control Services Limited and NHBC Services Limited. It commits all employees and contractors to ensure that NHBC's procurement activities are sourced ethically, environmentally and socially responsibly.

¹ The [Walk Free Foundation benchmarking tool](#)

² [The Global Slavery Index](#)



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A Procurement Code of Conduct is outlined within the Policy. All procurement activities must be undertaken in adherence to the principles outlined in the Procurement Code of Conduct. These are as follows:

- foster awareness of human rights, fraud and corruption issues in all business relationships
- responsibly manage any business relationships where unethical practices may come to light and take appropriate action to report and remedy them
- undertake due diligence on appropriate supplier relationships in relation to forced labour (modern slavery) and other human rights abuses, fraud and corruption
- continually develop knowledge of forced labour (modern slavery), human rights, fraud and corruption issues to ensure this is applied to all aspects of professional life.

The Policy is mandatory within NHBC. Any instances of actual or perceived non-compliance with the Policy/the Code of Conduct must be reported via NHBC's Risk Management Framework. Perceived breaches of the Procurement Code of Conduct can also be reported to line management or via NHBC's internal confidential reporting service.

The Policy is reviewed every 24 months and approved by NHBC's Board Risk Committee.

3.2 HR Recruitment Policy

NHBC continues to undertake thorough background checks in accordance with its Recruitment Policy before employment commences. All permanent NHBC roles continue to be paid at least the Real Living Wage³.

3.3 Modern slavery policy

NHBC does not currently have a separate modern slavery policy that is shared with its supply chain. However, commitment was made to explore this within the 2023/2024 financial year. Consequently, NHBC has amended its due diligence process so that specific attention is drawn to our Modern Slavery Statement and

³ As specified by the [Living Wage Foundation](#)



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asks for confirmation that suppliers have read and understood our commitment to ensuring modern slavery does not exist in our supply chain and that they themselves comply with the Modern Slavery Act 2015.

3.4 Software

NHBC has signed up to the SEDEX software platform. SEDEX allows us to onboard and monitor suppliers identified as operating in high-risk sectors. The procurement team is in the process of onboarding these suppliers. It is anticipated that there will be scope to carry out external audits for suppliers within the platform based on level of risk.

4. Risk assessment, prevention and mitigation

NHBC has identified the risk of failing to source goods or services responsibly and ethically and has outlined the controls and control owners below. They are included in the Policy.

Risk Description	Control	Control Owner
NHBC fails to source goods or services responsibly and ethically	Adherence to the Procurement Policy, Process, Procedures and Outsourcing and Third-Party Risk Management Framework in alignment with NHBC's Procurement Code of Conduct.	Head of department
	Ongoing in contract life supplier due diligence.	Head of procurement
	Risk based monitoring and review programme to ensure Procurement Policy is adhered to.	Head of procurement

NHBC has started to explore available modern slavery data and will continue to do so within the next 12 months. This will enhance NHBC's ability to identify risks within supply chains effectively.



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4.1 Mitigating activity by supplier type (high-risk)

Supplier Type	Risk Rating	Mitigating Activity	Activity Status
Remedial Works Contractors	High	<ul style="list-style-type: none"> Outsourced the appointment and management of remedial works to an external provider. 	Ongoing
		<ul style="list-style-type: none"> Due diligence checks undertaken on external provider to ensure they comply with modern slavery Act 2015. 	Ongoing
		<ul style="list-style-type: none"> Supplier relationship management in place with external provider. 	Ongoing
		<ul style="list-style-type: none"> External audits to review effectiveness of external provider's modern slavery policies and processes. 	See 3.4
Consumables and PPE	High	<ul style="list-style-type: none"> Due diligence checks undertaken on centralised provider to ensure they comply with modern slavery Act 2015. 	Ongoing
		<ul style="list-style-type: none"> Supplier relationship management in place with centralised provider. 	Ongoing
		<ul style="list-style-type: none"> External supplier carries out audits to review effectiveness of modern slavery policies and processes within its own supply chain. 	See 3.4
IT hardware	Medium	<ul style="list-style-type: none"> An IT consumables tender will be conducted over coming months, which will include due diligence checks on all participating suppliers to ensure they comply with the modern slavery Act 2015. 	Ongoing
		<ul style="list-style-type: none"> External audits to review effectiveness of modern slavery policies and processes. 	See 3.4
Cleaning	High	<ul style="list-style-type: none"> Due diligence checks undertaken on external provider to ensure they comply with modern slavery Act 2015. 	Ongoing
		<ul style="list-style-type: none"> Supplier relationship management in place with centralised provider of cleaning services 	Ongoing
		<ul style="list-style-type: none"> External audits to review effectiveness of modern slavery policies and processes. 	Ongoing



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		<ul style="list-style-type: none"> • Check stickers for whistleblowing in place at cleaning stations. 	Ongoing
Catering		<ul style="list-style-type: none"> • Due diligence checks undertaken on external provider to ensure they comply with modern slavery Act 2015. 	Ongoing
		<ul style="list-style-type: none"> • Supplier relationship management in place with centralised provider. 	Ongoing
		<ul style="list-style-type: none"> • External audits to review effectiveness of modern slavery policies and processes. 	Ongoing
Hospitality - hotels and meeting venues		<ul style="list-style-type: none"> • Requirements to be directed through NHBC's travel and venue management provider (rather than individual hotels and meeting venues) to gain oversight and enable checks to be undertaken. • External audits to review effectiveness of modern slavery policies and processes. • Consideration into centralising venue hire arrangements will be made. • Potential of restricting merchant codes through purchasing cards and the implementation of tighter controls within corporate travel policy. 	To be considered within next 36 months

Risk Rating Key:

- = Controls appropriate with a small number of enhancements
- = Controls require review/enhancements
- = Controls ineffective, actions required

5. Due diligence processes

All suppliers providing goods and services to NHBC above a contractual value of £25,000 are required to complete a Due Diligence Questionnaire (DDQ) as part of NHBC's Procurement Process which identifies if the supplier has a turnover of £36m or more. Guided by the supplier's turnover, the DDQ will either ask for evidence of their modern slavery statement (if over £36m) or, if under £35m, the DDQ asks for



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confirmation that the supplier has read and understood our Modern Slavery Statement.

5.1 Actions for the next 12 months

- Due diligence approach will be reviewed in line with ETI⁴ base code.
- Whistleblowing phone line to be extended to our supply chain.
- Process to be developed for instances of modern slavery, to include:
 - how they are reported/ identified
 - development of an incident response plan
 - identification and recording of mitigation measures taken and outcome for affected workers.
- Communication strategy for high-risk suppliers and NHBC contract owners to ensure modern slavery risk is identified and managed throughout supplier contract lifecycle policies referenced in high-risk supplier contracts.
- Policy supply chain communication plan.
- Supplier training (high risk only).
- Supplier audits (high risk only).

6. Effectiveness

NHBC ensures prompt in full payment in accordance with contractual payment terms to its supply base to reduce the risk of organisations becoming vulnerable, which could in turn contribute to modern slavery offences. NHBC was awarded a Fast Payer Award by Good Business Pays⁵ in both 2022 and 2023.

NHBC continually reviews procurement practices and ongoing monitoring to ensure appropriate controls are in place in respect of modern slavery risk.

NHBC does not currently have KPIs in place to measure the effectiveness of controls in place to manage modern slavery risk. However, we have signed up to SEDEX which will support NHBC in the auditing of key suppliers and high-risk areas.

⁴ [Ethical Trading Initiative](#)

⁵ [Good Business Pays](#)



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7. Training and awareness

Mandatory e-learning courses on modern slavery have been issued to all NHBC employees, not just those responsible for procurement and supplier relationship management activity, in an effort to raise awareness in both work and home life.

For those responsible for procurement or supplier relationship management activity, an enhanced modern slavery module has been identified and will be rolled out within the next 12 months. Completion levels are measured at a senior level within NHBC and they form part of NHBC's mandatory course completion business performance indicators.

NHBC suppliers are not currently required to undertake any modern slavery training, however training for high-risk suppliers is to be considered within the next 12 months.

Statement Locations:

NHBC external website: [Modern Slavery Statement | NHBC](#)

Government Modern slavery Registry: [NATIONAL HOUSE-BUILDING COUNCIL modern slavery statement summary \(2024\) - GOV.UK \(modern-slavery-statement-registry.service.gov.uk\)](#)

No modern slavery incidents in NHBC's supply chain were identified within FY2023/2024.

NHBC is committed to ensuring that its processes and approach are appropriate, effective and reflect the risks within its business.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes NHBC's slavery and human trafficking statement for the financial year ended 31 March 2024.



Steve Wood
Chief Executive Officer

Date: 25 September 2024

