



NHBC modern slavery statement

Relating to the financial year 2022–23

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Renewal date: September 2024

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 2022 to 31 March 2023, 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 leading warranty and insurance provider for new-build homes in the UK. Our role is to support the house-building industry to improve construction quality and provide consumer protection to new homebuyers.

With no shareholders, we are able to invest in raising standards and other activities to improve construction quality in UK housebuilding. As an independent voice and authority in the housing industry, we work with our customers, government and stakeholders to help shape policy and we are the new home warranty provider of choice, covering 1.4 million homes (correct to 31 March 2023).

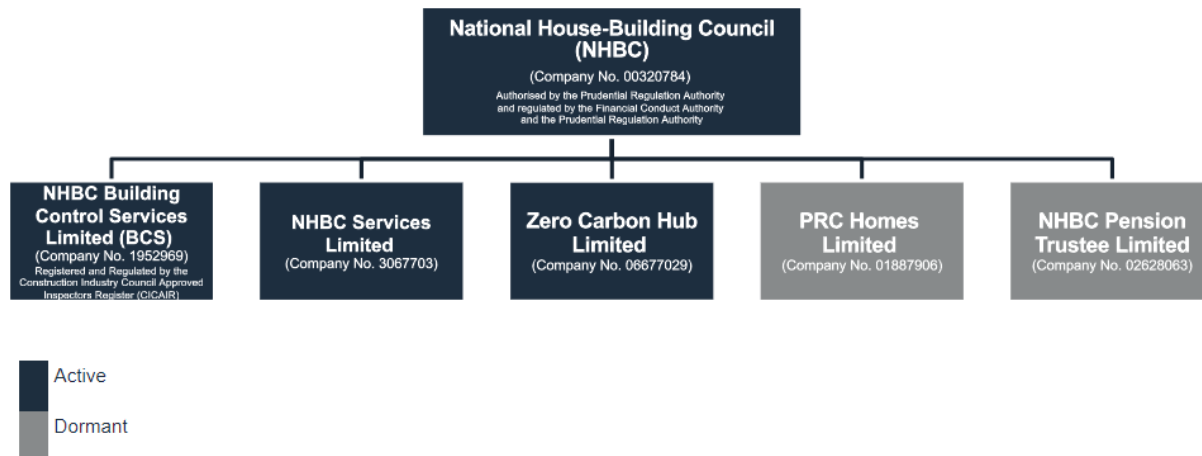
As a regulated insurance company with substantial reserves, homeowners have the reassurance of knowing that they can rely on our financial strength and the protection afforded by our new home warranties, whatever economic conditions prevail.

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NHBC belongs to a group and is the ultimate parent undertaking of that group. Below is the structure of the Group. All Group entities are registered in England and Wales.



NHBC is authorised by the Prudential Regulation Authority and is regulated by both the Financial Conduct Authority and the Prudential Regulation Authority. NHBC is a private company limited by guarantee. It has approximately 1,340 employees and operates in the UK.

2.2 Responsibilities

NHBC's Chief Executive Officer is Executive Sponsor for Modern Slavery within NHBC. NHBC's board are responsible for approving the annual 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 (e.g, remedial works contractors and consultants who carry out work in relation to NHBC's Buildmark warranty and insurance products).
- 2) Business to business services (e.g, marketing and events, IT and telecommunications, travel, car fleet, consultancy, and other professional services).
- 3) Operational services – all other procurement of goods and services (e.g, personal



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protective equipment, cleaning, catering, stationery, and maintenance of NHBC's offices).

NHBC has used the Walkfree Modern Slavery Benchmarking Tool¹ to enable us to benchmark our progress. Our score is currently 18 out of a possible 30, which is higher than our industry average (17) and higher than the 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 supply base had been conducted against the Global Slavery Index². NHBC have exposure to eight out of the eighteen industries identified as high risk by the Global Slavery Index. The supplier types within those eight industries that have been identified by NHBC 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 manage Modern Slavery risk by supplier type.

3. Policies

The key policies NHBC have relating to Modern Slavery are outlined below.

3.1 Procurement and Supplier Management Policy

The NHBC Procurement and Supplier Management Policy (Policy) applies to NHBC and all of its subsidiaries. It commits all employees and contractors to ensure that

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

² [The Global Slavery Index](#)



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NHBC's procurement activities are sourced ethically, environmentally and socially responsibly.

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 and is communicated down from executive level management. Any instances of actual or perceived non-compliance with the Policy/the Code of Conduct are to 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 continue to undertake thorough background checks in accordance with NHBC's Recruitment Policy before employment commences. All NHBC roles continue to be paid at or above the National Living Wage.

3.3 Modern Slavery Policy

NHBC does not currently have a separate Modern Slavery Policy that is shared with its supply chain; however, commitment has been made to explore this within the 23-24 financial year. Our due diligence processes specifically draw attention to our



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Modern Slavery Statement and asks for confirmation that suppliers have read and understood our commitment to Modern Slavery and that they themselves comply with the Modern Slavery Act.

3.4 Software

NHBC have committed to the acquisition of a software platform that will provide supplier ESG data. 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 have identified the risk of NHBC failing to source goods or services responsibly and ethically and have outlined the controls and control owners below. They are outlined within 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

Controls will be reviewed within financial year 2023/24 to ensure they are effective. NHBC has started to explore Modern Slavery data available 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: Due diligence checks undertaken on external provider to ensure they comply with Modern Slavery Act 2015. 	Ongoing
		<ul style="list-style-type: none"> External provider's contract ensures that both external provider and their sub-contractor network comply with Modern Slavery Act 2015. 	Complete
		<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 & 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 it's 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 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



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		<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. Check stickers for whistleblowing in place at cleaning stations. 	To be considered within next 12 months
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. 	To be considered within next 12 months
Hospitality - hotels & 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 48 months

Risk Rating Key:

 = Controls appropriate with a small number of enhancements

 = Controls require review/enhancements

 = Controls ineffective, actions required



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5. Due Diligence Processes

All suppliers providing goods and services to NHBC above a contractual value of £25k are required to complete a Pre-Qualification Questionnaire (PQQ) 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 PQQ will either ask for evidence of their Modern Slavery statement (if over £36m) or, if under £35m, the PQQ asks for confirmation that the supplier has read and understood our Modern Slavery statement.

5.1 Actions for the next 12 months

- Due diligence approach to be reviewed in line with ETI³ 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 were awarded a 2022 Fast Payer Award by Good Business Pays⁴.

³ [Ethical Trading Initiative](#)

⁴ [Good Business Pays](#)



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NHBC continually reviews procurement practices and on-going monitoring to ensure appropriate controls are in place.

NHBC does not currently have KPI's in place to measure the effectiveness of controls in place to manage Modern Slavery risk. However, we are intending to implement software to support us in the auditing of key suppliers or high-risk areas.

Modern Slavery will continue to be a key part of NHBC's wider Economic, Social and Governance strategy.

7. Training and Awareness

Mandatory e-learning courses on Modern Slavery will now be completed by 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 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 \(2021\) - GOV.UK \(modern-slavery-statement-registry.service.gov.uk\)](#).

No modern slavery incidents in NHBC's supply chain were identified within FY22/23.



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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 2023.



Steve Wood

Chief Executive Officer

Date: 29 September 2023

