



Raising Standards. Protecting Homeowners

# Whistleblowing Policy

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## Document Control

### **Version & Review History**

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10.1	01 June 2018	Steve Laycock	Supercedes Policy v9.1 dated 06 July 2017 - Initial draft
10.2	27 July 2018	Steve Laycock	Amended following review by CRO
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10.4	1 May 2019	Steve Laycock	Change of CRO.

### **Committee Reviews**

<i>Review by</i>	<i>Version</i>	<i>Date</i>
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### **Policy Owner Sign-off**

<i>Approved By</i>	<i>Position</i>	<i>Version</i>	<i>Date</i>
Andrew Wildon	Chief Risk Officer	9.1	06 July 2017
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## 1 INTRODUCTION

1.1 NHBC is committed to providing an ethical working environment, free from malpractice

1.2 Whistleblowing can be defined as an employee that reports an employer's or colleagues misconduct.

Some examples of when whistleblowing may occur could include:

- Fraud or corruption
- Improper accounting
- Theft, damage or misuse of company property
- Other criminal matters
- Endangering someone's health and safety
- Unethical Behavior
- Covering up wrongdoing in the above categories

1.3 Firms such as NHBC who are subject to Solvency II rules have specific PRA rules to comply with regarding Whistleblowing requirements. Some key rules have been drawn out below:

- Firms must establish, maintain and implement appropriate and effective arrangements for the disclosure of reportable concerns by a firm's employee, internally through a specific, independent and autonomous channel.
- Firms must inform all workers of the channel referred to above and of relevant aspects to do with protected disclosures.
- Disclosure is protected if;
  - The information is about serious wrong doing in or by your workplace
  - You reasonably believe the information is true or likely to be true
  - You want the serious wrong doing to be investigated
- Firms must ensure that nothing in its arrangements prevents or discourages any worker from making any disclosure to the PRA or the FCA before making the disclosure through the channel referred to above.
- Firms must ensure that employment contracts or settlement agreements, including any other related or ancillary documentation, must not prevent or discourage the worker from making a protected disclosure, including to the PRA or making a

further protected disclosure connected to a protected disclosure already made.

- 1.4 There is also the Public Interest Disclosure Act 1998 which protects whistle-blowers from being fired or mistreated for reporting misconduct.

## **2 PURPOSE AND OBJECTIVES**

2.1 This policy sets out the roles, responsibilities and direction to enable employees to have the confidence to report malpractice and provides the controls for those concerns to be investigated without prejudice.

2.2 The policy also ensures NHBC's compliance with relevant regulations, including those concerning outsourced functions and activities. NHBC must remain fully responsible for discharging all of its obligations under the regulatory system when they outsource functions or any insurance activities.

These regulations are listed in Appendix A.

2.3 This policy aims to ensure that there is a widely understood, accessible whistleblowing mechanism (SpeakUp) that enables employees to disclose malpractice ('whistleblowing'), to voice their concerns and to facilitate a more open and honest working environment. It also protects employees from dismissal and victimisation if they make a disclosure.

## **3 DEFINITIONS AND SCOPE**

3.1 The definition of terms used in this policy are listed in the Glossary at Appendix B.

3.2 This policy applies to all legal entities, business units and functions within NHBC. These are known collectively as "business units". The Policy applies to all NHBC employees and workers as well as agency workers, consultants and contractors, irrespective of their location, function, grade or standing. For the purpose of this policy these people are referred to collectively as "employees".

3.3 The Policy complies with all requirements set out in the NHBC Policy Framework. In exceptional circumstances, dispensation to comply with this policy may be granted in writing by the Policy Owner, who in turn must inform the Board. Unless a dispensation has been granted, any non-compliance with policy is treated as a breach.

The policy is to be read in conjunction with other policies, such as Financial Crime, Conflicts of Interest, and People Risk.

## **4 RESPONSIBILITIES AND DELEGATIONS**

The roles, responsibilities and delegated authorities related to the implementation of this policy are:

4.1 Audit Committee.

<b>Committee</b>	<b>Responsibility</b>
Audit Committee	<ul style="list-style-type: none"> <li>The Whistleblowing Policy must be approved by the Audit Committee every two years.</li> </ul>
Chair of the Audit Committee	<p>Chair of the Audit Committee must ensure that a robust process exists to:</p> <ul style="list-style-type: none"> <li>Ensure the potential whistleblower is advised of NHBC's confidential reporting line (SpeakUp);</li> <li>Act on reports of whistleblowing received from SpeakUp.</li> <li>Concerns are taken seriously and considered fully and fairly;</li> <li>Issues are resolved as quickly as possible;</li> <li>The findings are communicated to the individual(s) under investigation and, if appropriate, NHBC management or other external authorities.</li> </ul>

4.2 Individuals and Teams.

<b>Role</b>	<b>Responsibility (incl. relevant delegated authority)</b>
Chief Risk Officer	<ul style="list-style-type: none"> <li>The Whistleblowing Policy is owned by the CRO, who is ultimately accountable to the Board for the design and implementation of a central framework and controls;</li> <li>Annual communication all staff as a reminder of the confidential whistleblowing hotline;</li> <li>Responsible for ensuring that controls are in place to mitigate the risk of NHBC being in breach of our regulatory requirements;</li> <li>Ensure there is a dedicated Hub page outlining the Whistleblowing process so employees can and know how to disclose potential malpractice ("whistleblowing");</li> <li>Ensure there are safeguards in place to protect employees from dismissal and victimisation if they make a disclosure;</li> <li>Ensure that both records and a Whistleblowing Log are maintained;</li> <li>Report quarterly to the Audit Committee on any open cases;</li> </ul>
Risk Manager	<ul style="list-style-type: none"> <li>Document owner of the Whistleblowing Policy;</li> <li>Act on reports of whistleblowing received from SpeakUp;</li> </ul>

Role	Responsibility (incl. relevant delegated authority)
	<ul style="list-style-type: none"> <li>Logs the whistleblower issue on the central log and maintains the central log on behalf of the CRO;</li> <li>Ensure the policy is reviewed every two years.</li> </ul>
Managers	<ul style="list-style-type: none"> <li>Make their staff aware of this policy and the SpeakUp reporting line;</li> <li>Encourage a positive open working culture for staff and others working at NHBC in which they are able to express their concerns;</li> <li>Take concerns seriously and assist, where possible, with investigations;</li> </ul>

## 5 RISK IDENTIFICATION, MEASUREMENT AND CONTROL

**5.1** The risk is that NHBC fails to comply with employment practices, health or safety laws and agreements.

Controls	Owner
<ul style="list-style-type: none"> <li>Confidential reporting Service called SpeakUp run by an independent company called InTouch. There is a freephone number and a website where employees can log and report concerns.</li> </ul>	CRO
<ul style="list-style-type: none"> <li>Employees can report directly to the FCA or PRA if concerned about anonymity.</li> </ul>	CRO
<ul style="list-style-type: none"> <li>Dedicated SpeakUp Hub page, which provides further information on how to report concerns.</li> </ul>	CRO
<ul style="list-style-type: none"> <li>All reports received by SpeakUp are sent promptly to the designated Non-Executive Director and the Chief Risk Officer, who will act on it without compromising any individual.</li> </ul>	CRO
<ul style="list-style-type: none"> <li>The whistleblower will receive a response within 15 working days to advise their concern is being investigated.</li> </ul>	CRO
<ul style="list-style-type: none"> <li>NHBC will investigate the employees concerns and take the action where deemed necessary by the designated Non-Executive Director and the Chief Risk Officer.</li> </ul>	CRO
<ul style="list-style-type: none"> <li>Chief Risk Officer maintains a central log of whistleblower issues and reports quarterly to the Audit Committee on any open cases.</li> </ul>	CRO
<ul style="list-style-type: none"> <li>Independent oversight and challenge to the process and effectiveness of the controls.</li> </ul>	Chair of the Audit Committee

## 6 REPORTING AND ESCALATION

- 6.1 All reports received by SpeakUp are sent promptly to the designated Non-Executive Director and the Chief Risk Officer, who will act on it without compromising any individual. The whistle-blower will receive a response within 15 working days to let them know that NHBC are looking into their concerns. They may also be asked for further information to assist with the investigations.
- 6.2 NHBC will investigate the employees concerns and take the action where deemed necessary by the designated Non-Executive Director and the Chief Risk Officer.

## 7 POLICY IMPLEMENTATION

- 7.1 Procedures. This policy is implemented through adherence to the procedures listed in Appendix C.
- 7.2 Communications. The Policy Owner must establish, embed and maintain a communication programme which ensures that Staff are made aware of this policy and understand how to report their concerns.
- 7.3 Policy Compliance and Effectiveness
  - a. The Policy Owner is required to attest to their understanding of and adherence to this policy in the Policy Attestation process set out in the Policy Framework.
  - b. The effectiveness of the policy in the management of Whistleblowing is assessed by the Chief Risk Officer as part of the policy or when otherwise necessary to avoid a breach of risk appetite.

## **APPENDIX: A REGULATIONS**

Public Interest Disclosure Act 1998
FCA and PRA Rules on Whistleblowing
Employment Rights Act 1996

## APPENDIX: B GLOSSARY

Term	Definition
Whistleblowing	The act of reporting an employer's or colleagues misconduct.
Whistleblower	An employee that reports an employer's or colleagues misconduct.
SpeakUp	A confidential reporting service run by an independent company called InTouch. It provides employees with the means to whistleblow if concerned with potential issues of Fraud, Bribery, improper behaviour etc.

## **APPENDIX: C REFERENCES AND RISK MANAGEMENT PROCEDURES**

### **NHBC References**

Risk Management Framework
Policy Framework
Internal Control Framework
Financial Crime Policy
Conflicts of Interest Policy
People Risk Policy
Employee Handbook
Doing the Right Thing My Learning training video

### **NHBC Procedures**

Whistleblowing Hub Page
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