



# Conflicts of Interest Policy

Version 5.1 Date effective: June 2025



NHBC

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Version	5.1
Status	Final
Policy Owner	Chief Risk Officer
Document Owner	Head of Compliance & Conduct Risk
Effective Date	6 June 2025
Next Review Date	6 June 2027

## Introduction

A conflict of interest (COI) exists when, in the performance of NHBC activities, the interests of the company, customers, consumers and/or its employees' conflict directly or indirectly.

As a regulated insurer, NHBC must establish processes and controls in order to identify conflicts of interest, manage them fairly and comply with regulatory obligations, including the Financial Conduct Authority's Principles for Business ie, act with integrity, ensure we control our affairs responsibly and effectively, and deliver good outcomes to consumers. As a registered building control approver, NHBC Building Control Services Ltd (BCS) has similar obligations to avoid COIs.

Managing COI lowers the risk of NHBC's customers and consumers being unfairly disadvantaged and ensures that NHBC conducts business in the right way, reducing the risk of potential legal action and censure from regulatory bodies. Even where there is no evidence of improper actions, a conflict of interest can create the appearance of impropriety, which could undermine confidence in the ability of NHBC or its employees to be seen to act properly and fairly.

This policy sets out the roles, responsibilities and control needed for the effective management of COI.

Key relevant regulatory requirements and internal procedures that underpin this policy are included in Appendix A, with the key terms used in this policy defined in the glossary in Appendix B.

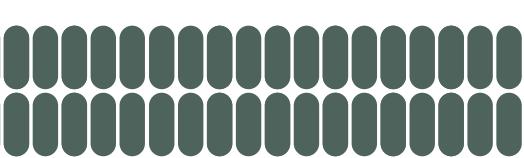
## Scope and application

This policy applies to all NHBC group companies, Board members and employees, including contractors and secondees or other temporary employees.

The policy complies with the requirements set out in the NHBC Policy Framework. Any non-compliance with policy will be treated as a breach.

## Policy expectations

A COI is a situation where an individual's ability to exercise judgement or act in their role is, could be, or is seen to be impaired or otherwise influenced by their involvement in another role or relationship. Even where there is no evidence of improper actions, a conflict can create the appearance of impropriety, which could undermine confidence in the ability of NHBC or our employees to be seen to act properly and fairly.



A COI may arise due to:

- strategic/structural conflicts due to the nature of our business or the way we are organised
- employees/directors' professional and personal relationships
- financial interests
- competing interests between NHBC and other stakeholders in the products or services we provide, eg if there is a conflict between consumer policyholders receiving insurance services and another stakeholder, we must act in the best interests of the policyholder.

## Expectations

Any person representing NHBC is expected to:

- maintain the highest possible standard of integrity in all their business relationships, both inside and outside NHBC
- not use their authority or position for personal gain
- avoid being, or giving the appearance of being, in a position that may result in an actual or perceived detriment to consumers' best interests or NHBC's reputation or interests
- disclose any issues that potentially give rise to a COI to their line manager and, if required, seek advice from the Risk and Compliance team as soon as practicable.

## Roles and responsibilities

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

### Individuals and teams

Name	Responsibility (including relevant delegated authority)
ExCo and senior management function holders	<p>Must implement this policy and ensure there are appropriate internal controls to prevent COI from arising or detect if they were to arise, in each of their functions, including:</p> <ul style="list-style-type: none"><li>• limiting or controlling the exchange of information between relevant persons engaged in activities involving a COI</li><li>• separating supervision of persons whose functions may involve activities to consumers or customers where their interests may conflict or undermine the independence required to carry out their function</li><li>• considering potential conflicts in the design of remuneration arrangements</li><li>• implementing measures to prevent or limit inappropriate influence in decision-making by a person who may have a COI, including in respect of building control-restricted functions and activities</li><li>• ensuring employees are aware of their responsibilities regarding COI and encouraging the disclosure of potential COI</li><li>• ensuring employees complete relevant training and regular attestations in respect of COI</li><li>• ensuring that COI are assessed and managed effectively and appropriate records of actual or potential COI are maintained.</li></ul>
Board members	Ensure that COI relating to the Board are assessed and managed effectively and appropriate records of actual or potential COI are maintained.

Name	Responsibility (including relevant delegated authority)
CRO	<p>Ultimately accountable to the Board for the design and implementation of the COI framework and controls for preventing, detecting and investigating COI, including ensuring:</p> <ul style="list-style-type: none"><li>• there is a regular process to disclose COI</li><li>• there is a consistent approach to assessing the risk of a COI</li><li>• there is appropriate recording of COI</li><li>• there is appropriate training such that employees understand what a COI is and their responsibilities under this policy,</li></ul> <p>Reports to ERC and Board committees as appropriate and ensures that this policy is published and publicly accessible.</p>
Product owners	<p>Identify key risks posed by intended products and potential foreseeable harms, including whether conflicts could arise between NHBC, customers, consumers or other stakeholders and how these are managed.</p> <p>Consider whether disclosure to consumers or customers is required where the risks of damage to their interests cannot be prevented.</p> <p>Seek advice from Risk and Compliance to inform relevant product assessments.</p> <p>Must not solicit or accept inducements where this would conflict with NHBC's duties to our consumers or customers.</p>
Employees carrying out building control-restricted functions or activities.	<p>Identify and record potential COIs prior to or during building control-restricted functions and activities and escalate them immediately.</p> <p>Agree the actions to be taken with your manager, including pausing the activity and/or notifying the applicant, or other actions to resolve or remove the conflict.</p>
NHBC Board Committee	Responsible for overseeing NHBC ensuring that there is an effective system of internal control and risk management that meets statutory and regulatory obligations.
Board Risk Committee	Confirms the approach for managing and overseeing NHBC's exposure to Conflicts of Interest Risk through the review and approval of this policy.
Executive Risk Committee	Oversees the implementation of this policy.

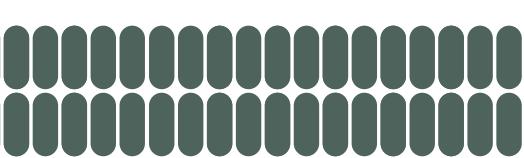
## Policy implementation

This policy is implemented through adherence to the procedures listed in Appendix C.

## Policy review

This policy must be reviewed at least annually or sooner where there is a trigger event, such as a change in the regulatory environment or significant change in the organisation's structure.

Appropriate records of COI must be retained for at least five years.



## Appendix A – Relevant information

### Regulations and regulatory guidance

A list of the regulatory or legal references that were used to inform the policy by regulator, document name, document identifier (if relevant) and date:

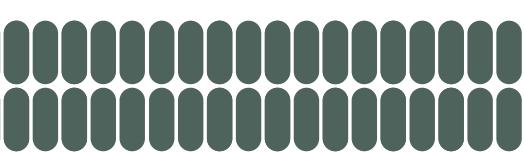
- FCA Handbook – SYSC (Systems and Controls) and Principles for Business, and Insurance Conduct of Business Sourcebook (ICOBS)
- Companies Act 2006
- Bribery Act 2010
- The Building (Registered Building Control Approvers etc.) (England) Regulations 2024
- Code of Conduct for Registered Building Inspectors 2025
- Professional Conduct Rules for Registered Building Control Approvers 2025
- Operational Standards Rules 2025
- The Building (Registered Building Control Approvers etc.) (Wales) Regulations 2024
- Code of Conduct for Registered Building Inspectors (Wales) 2024
- Professional Conduct Rules for Registered Building Control Approvers (Wales) 2024
- Operational Standards Rules (Wales)

### 2024 Relevant internal documents and procedures

Document	Owner/approval body
Financial Crime Policy	CRO
Risk Management Framework	CRO
Conflicts of Interest Procedure	CRO
Regulatory Horizon Scanning	CRO
Procurement and Supplier Governance Risk Policy	Procurement
People Risk Policy	HR
Employee Handbook	HR
Gifts and Entertainment Policy	HR
Remuneration Policy	HR
Product Governance and Oversight Policy	Head of Underwriting
Consumer and Vulnerability Policy	Claims Director
Whistleblowing Policy	CRO

## Appendix B – Glossary

Term	Definition
Consumer	The policyholder or beneficiary of a Buildmark policy. In most cases within NHBC this is the homeowner, but in some cases, it can be an organisation.
Customer	A builder, developer or body who buys the Buildmark Insurance Policy to pass onto others, where they themselves are not the beneficiary.
Inducements	An act or item that is intended to persuade or causes someone to do something.
Product Owners	Employees who have day-to-day responsibility for an NHBC product or service.
Employees carrying out building control-restricted functions	Employees authorised to carry out regulated building control activities or who are undertaking work for restricted activities functions.



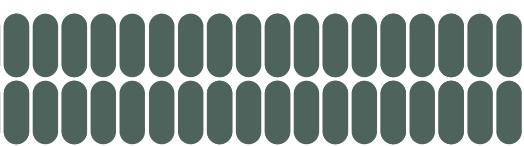
## Appendix C – Document control

### Version and review history

Version	Date	Author	Summary of changes
3.0	14 Aug 2018	Steve Laycock	Review date extended in line with BRC agreement of two-yearly approval cycle.
3.1	3 Apr 2019	Steve Laycock	Procedures appended to policy and policy owner updated.
3.2	9 Jul 2019	Steve Laycock	Review prior submission to ERC/BRC in line with two-yearly approval cycle.
3.3	4 Nov 2019	Steve Laycock	Further revision of controls following review at BRC 5 September and Anti-Bribery and Corruption Review.
3.4	28 Jul 2020	Sandra Himmans	Change of document owner. Additional COI examples added and minor text changes to improve clarity.
4.0	8 Sep 2021	Helio Correa	Change of document owner. Minor text changes.
5.0	May 2023	Tony Kelly	Review of policy and update to format.
5.1	May 2025	Justine Wootton	Review of policy and update to format. Incorporation of expectations under building safety regulations.

### Committee reviews

Review by	Version	Date
Executive Risk Committee (ERC)	3.2	13 Aug 2019
Board Risk Committee (BRC)	3.2	5 Sept 2019
BRC	3.3	13 Nov 2019
ERC	4.0	April 2021
BRC	4.0	April 2021
ERC	5.0	25 May 2023
BRC	5.0	13 June 2023
ERC	5.1	13 May 2025
BRC	5.1	6 June 2025



### Policy owner sign-off

Approved by	Position	Version	Date
David Trefusis	Chief Risk Officer	3.1	3 Apr 2019
David Trefusis	Chief Risk Officer	3.2	13 Aug 2019
David Trefusis	Chief Risk Officer	3.3	4 Nov 2019
David Trefusis	Chief Risk Officer	3.4	
David Trefusis	Chief Risk Officer	4.0	
Peter Vasey	Chief Risk Officer	5.0	9 May 2023
Peter Vasey	Chief Risk Officer	5.1	2 May 2025

