

## **Mitsubishi HC Capital UK PLC**

### **Anti-Slavery and Human Trafficking Statement**

**2022**

#### **Our Values and Principles**

Mitsubishi HC Capital UK PLC (“**MHCUK**”) (formerly called Hitachi Capital (UK) PLC) is a wholly-owned subsidiary of Mitsubishi HC Capital Inc, a Japanese company which became MHCUK’s parent company on 1 April 2021 when MHCUK’s previous parent company, Hitachi Capital Corporation, merged with Mitsubishi UFJ Lease & Finance Co Ltd. The largest shareholders of Mitsubishi HC Capital Inc are Mitsubishi UFJ Financial Group Inc, Mitsubishi Corporation and Hitachi, Ltd. Together, we remain committed to doing business ethically and to making a valuable contribution to society. In February 2022, as well as changing the name of the Company to Mitsubishi HC Capital UK PLC, we adopted a new brand, “Novuna”, which we use as the trading name for the vast majority of our business in the UK, Notwithstanding the merger, the vision, brand promise and values of MHCUK – Harmony, Sincerity and Pioneering Spirit – remain the same.

As part of our commitment to conduct business ethically, we aim to ensure that the risk of modern slavery (including servitude and forced labour) and human trafficking taking place within our business or in our supply chains is mitigated appropriately and we expect our suppliers to meet the same standards. This is done through engagement with suppliers and business partners to ensure they meet the standards set by law, educating staff on the risk of modern slavery and, in any areas identified as being high risk, ensuring successful preventative or mitigating action is taken.

#### **Group Overview**

MHCUK is headquartered in Staines-upon-Thames, with significant presences in Leeds, Newbury, Trowbridge and Telford, and a subsidiary company in Amsterdam, Mitsubishi HC Capital Europe B.V., which has branches in EU countries including Ireland and Finland. On 1 August 2022, we acquired from our parent company three vehicle leasing companies (based in the Netherlands, Germany and Poland respectively, with branches in other European countries) as well as another Dutch company, which offers card-based mobility solutions. These companies are owned through a new wholly-owned subsidiary of MHCUK based in the Netherlands, MHC Mobility Europe B.V.

We are a leading financial services Group, providing innovative solutions and outstanding customer experiences to consumers, small to medium enterprises (SMEs) and corporate multinationals. In addition to MHCUK’s European subsidiaries, the Group’s business comprises five trading divisions: Consumer Finance, Vehicle Solutions, Business Finance, Business Cash Flow (formerly called Invoice Finance) and European Vendor Finance.

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Together, the business employs over 1,800 people in the UK (2,250 including the overseas subsidiaries) and had net earning assets of almost £6.5 billion as at the close of the financial year ended 31 March 2022. We are committed to pay our staff at least the “Real” Living Wage, as published by the Living Wage Foundation <https://www.livingwage.org.uk/>. This commitment extends to all permanent members of staff, as well as temporary workers whom we employ from time to time to address peak periods of business.

## **Our Supply Chains**

Business is sourced directly (for example, via the internet) or through retailers and brokers, who introduce customers to us. In Europe, Mitsubishi HC Capital Europe B.V. sources business from companies affiliated to Hitachi Ltd and Mitsubishi companies or via the reputable finance companies with whom we have established formal partnerships.

The vast majority of the goods and services which we purchase in order to operate our business are sourced from the UK or from EU countries. We take all reasonable steps to avoid sourcing goods or services from any countries where modern slavery is prevalent.

We have several thousand suppliers, including those organisations which introduce business, with a core group of approximately 250 suppliers of products and services.

Further information and details of MHCUK’s business are set out in our Annual Report & Financial Statements, which are published on our website:

[Our Financial Performance | Mitsubishi HC Capital UK PLC](#)

## **Our Policies**

During the year, we adopted the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in place of the Hitachi Capital Group Code of Conduct. These codes require strict compliance with all legal requirements and respect for human rights and other internationally accepted standards. All officers and employees of the Company must follow the Codes..

Over time, we expect to adopt policies required by our new parent company as a minimum standard. Within MHCUK, we already have in place policies and processes which address issues relevant to modern slavery and human trafficking, including:

- Written employment practices and procedures which ensure fair recruitment and treatment of employees;
- A whistleblowing policy process and whistleblowing hotline, which enable employees to report in confidence any concerns of malpractice or other unethical behaviour, including any areas where they believe that MHCUK may not be procuring goods and services in accordance with acceptable ethical standards; and
- A procurement policy outlining our requirement that suppliers operate in an ethical manner, including the operation of appropriate anti-slavery and human trafficking measures.

## **Action taken during the year ended 31 March 2022**

In the past financial year we have taken action with the aim of ensuring that slavery and human trafficking is not taking place in any part of our business or in our supply chains. This has included the following:-

### **Business and Supply Chains**

We continued our rolling programme of ensuring that, in new supply contracts and those which come up for renewal, appropriate contractual provisions are included which require suppliers to comply with the Modern Slavery Act specifically and/or with all applicable UK legislation.

All cleaning and security service contracts continue to include relevant clauses in relation to modern slavery and human trafficking, including ensuring that the Real Living Wage is being paid and MHCUK remained accredited as a Real Living Wage Employer by the Living Wage Foundation. This year we exercised our contractual right to audit our suppliers of cleaning and security services and checked payslips to ensure that operatives were receiving at least the Real Living Wage. We will repeat such audits in the future as and when we think necessary or appropriate.

### **Policies**

As explained above, we adopted the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in place of the Hitachi Capital Group Code of Conduct.

Our Corporate Social Responsibility ("CSR") Committee continued to consider modern slavery as a standing agenda item at each of its meetings and, further to the commitment made by the CSR Committee last year, MHCUK formulated and formally adopted a specific Anti-Slavery and Human Trafficking Policy Standard, which will be reviewed annually. It is already proposed that express statements be added to the standard, prohibiting specified business practices which are unacceptable and requiring that workers are provided with specified minimum rights and freedoms.

During the year we made amendments to our Group Whistleblowing Process to make it clear that any cases of suspected modern slavery may be reported using the process and to clarify the timescales within which such reports will be acknowledged and feedback will be provided to the whistleblower.

### **Procurement and Due Diligence**

- . The Procurement team continued to work closely with the business to check that:
  - a) prospective suppliers will be able to honour the contractual commitment to have suitable controls in place to minimise the risk of modern slavery and human trafficking occurring in their businesses or their supply chains;
  - b) existing suppliers maintain such measures, primarily by means of regular review meetings and annual audits in line with our supplier relationship management framework; and

- c) all new suppliers, and all our major existing suppliers, agree to MHCUK's Supplier Code of Conduct (or their own equivalent provided it is no less onerous than MHCUK's code). The code outlines what we expect of our suppliers, including a requirement that suppliers will comply with modern slavery legislation and will demand the same from their supply chains.

As part of our tendering process for new suppliers, we require prospective suppliers to complete a standard form questionnaire. This now requires such suppliers to provide copies of their policies on modern slavery, child labour and freedom of association (or to explain how they address these issues if no such policies are in place).

## **Risk Assessment and Management**

Throughout the year ended 31 March 2022 each business unit and service function within the Group maintained a risk register, which was continually reviewed and updated and which fed into the Group's overall risk register. The risk register relating to the Procurement function continued to include the potential risk of dealing with suppliers which cannot demonstrate that they (and their supply chains) comply with the Modern Slavery Act and other legal requirements. However, the mitigants put in place to address this risk (including the requirement for robust tender processes, our Supplier Code of Conduct and enhanced due diligence) mean that the net risk is considered to be low.

MHCUK completed the questionnaire contained in the Home Office's Modern Slavery Assessment Tool. The resultant assessment report suggested a number of potential improvements which could be made to further mitigate the risk of modern slavery and human trafficking taking place within our business or in our supply chains. We have already begun to take appropriate actions in response to the suggested improvements and will continue to do so during the course of this year.

## **Measuring Effectiveness-KPI's**

In line with the decision of the CSR Committee reported last year, MHCUK adopted new Key Performance Indicators in respect of modern slavery which have been monitored by the committee quarterly since 1 April 2021. The KPI's include metrics relating to the percentage of suppliers which are committed to follow MHCUK's Supplier Code of Conduct and the percentage of staff who have completed our mandatory training on modern slavery (described below).

Key CSR performance indicators, including those related to anti-slavery and human trafficking, are published in our annual Environmental, Social and Governance (ESG) Report, which can be found on our website:

[Sustainability | Mitsubishi HC Capital UK PLC](#)

## **Training**

As explained in our Anti-Slavery and Human Trafficking Statement for the year ended 31 March 2021, our "People Essentials" module includes a specific section on modern slavery and human

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trafficking. This is an annual module which is mandatory for all staff and failure to complete it can render an employee ineligible for our annual bonus scheme.

## **Our continuing commitment**

We will continue to take steps such as those described above, with the aim of ensuring that slavery and human trafficking do not occur in any part of our business or our supply chains.

We continue to liaise with associated companies in order to remain aware of good practice and we take account of updates to the Home Office guidance on the Modern Slavery Act as and when they are published. We submitted our 2020 and 2021 annual anti-slavery statements to the Government's modern slavery statement registry and will continue to do this annually.

## **Approved by the Board**

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Mitsubishi HC Capital UK PLC's slavery and human trafficking statement for the financial year ended 31<sup>st</sup> March 2022. It was approved by the Board on 28 September 2022.



**Robert Gordon**  
**Chief Executive Officer**