

Hitachi Capital (UK) PLC

Anti-Slavery and Human Trafficking Statement 2021

Our Values and Principles

Hitachi Capital (UK) PLC (“HCUK”) is a wholly-owned subsidiary of Mitsubishi HC Capital Inc, a Japanese company which became HCUK’s parent company on 1 April 2021 when HCUK’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. Notwithstanding the recent merger, the vision, mission and values of HCUK – 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

HCUK is headquartered in Staines-upon-Thames, with significant presences in Leeds, Newbury, Trowbridge and Telford, a smaller office in Buckinghamshire and a subsidiary company in Amsterdam, which has branches in EU countries including Ireland and Finland.

We are a leading financial services Group, providing innovative solutions to consumers, small to medium enterprises (SMEs) and corporate multinationals. Our business comprises five trading divisions: Consumer Finance, Vehicle Solutions, Business Finance, Invoice Finance and European Vendor Solutions.

Together, the business employs over 1,600 people and had net earning assets of approximately £6 billion as at the close of the financial year ended 31 March 2021. 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, we source 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 HCUK's business are set out in our Annual Report & Financial Statements, which are published on our website:

<https://www.hitachicapital.co.uk/financial-performance/>

Our Policies

Although our parent company is now Mitsubishi HC Capital Inc, HCUK has a licence to continue to use the "Hitachi" name and brand. For the time being, HCUK will continue to adhere to global Hitachi policies which address issues relevant to modern slavery and human trafficking, including the Hitachi Capital Group Code of Conduct and the Hitachi Group Human Rights Policy.

Over time, we expect to adopt policies required by our new parent company as a minimum standard. Within HCUK, we 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 standard 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 HCUK 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 2021

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:-

Structure 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 HCUK remained accredited as a Real Living Wage Employer by the Living Wage Foundation.

Policies

The Company continued to follow the Hitachi Capital Group Code of Conduct and the Hitachi Group Human Rights Policy, which commit the Company to respect international standards of conduct regarding human rights, including a specific commitment not to procure goods or services from any organisations which use child labour or forced labour.

Our Corporate Social Responsibility (“CSR”) Committee continued to consider modern slavery as a standing agenda item at each of its meetings and HCUK’s CSR Policy Standard was amended to incorporate additional requirements to reduce the risk of modern slavery and human trafficking occurring within our business or in our supply chains.

The CSR Committee also formally resolved that HCUK formulate and adopt a specific Anti-Slavery and Human Trafficking Policy Standard, which is in the course of production.

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; and
 - b) existing suppliers maintain such measures, primarily by means of regular review meetings and annual audits in line with our supplier relationship management framework.

With effect from 1st April 2020, HCUK required all new suppliers, and all our major existing suppliers, to agree to HCUK’s Supplier Code of Conduct (or to their own equivalent provided it is no less onerous than HCUK’s code). The code outlines what we expect of our suppliers, such as compliance with applicable laws, including those related to modern slavery and human trafficking.

Risk Assessment and Management

Throughout the year ended 31 March 2021 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, a Supplier Code of Conduct and enhanced due diligence) mean that the net risk is considered to be low.

The CSR Committee approved a proposal that HCUK should voluntarily complete the questionnaire contained in the Home Office's Modern Slavery Assessment Tool, with a view to seeking an informal assessment of HCUK's position so that it can conduct a formal gap analysis and take appropriate actions to further reduce the risk of modern slavery and human trafficking taking place within our business or in our supply chains.

Measuring Effectiveness-KPI's

Key CSR performance indicators, including any 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:

<https://www.hitachicapital.co.uk/about-us/corporate-social-responsibility/environmental-social-governance-performance/>

During the year ended 31 March 2021 the CSR Committee formally resolved to adopt new Key Performance Indicators in respect of modern slavery and these will be monitored quarterly with effect from 1 April 2021.

Training

As explained in our Anti-Slavery and Human Trafficking Statement for the year ended 31 March 2020, a number of new training modules have been introduced. Our "People Essentials" module now includes a specific section on modern slavery and human 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.

On-line training on the Hitachi Capital Group Code of Conduct remains mandatory for relevant levels of executive management.

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 voluntarily submitted our 2020 annual anti-slavery statement to the Government's new modern slavery statement registry.

Approved by the Board

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Hitachi Capital (UK) PLC's slavery and human trafficking statement for the financial year ended 31st March 2021. It was approved by the Board on 7 June 2021.



Robert Gordon
Chief Executive Officer