

## **Hitachi Capital (UK) PLC**

### **Anti-Slavery and Human Trafficking Statement 2019**

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

Hitachi Capital (UK) PLC (“HCUK”) is a wholly owned subsidiary of Hitachi Capital Corporation, a Japanese company whose largest shareholders are Hitachi, Ltd. and Mitsubishi UFJ Financial Group Inc. Together, we are committed to doing business ethically and to making a valuable contribution to society. The values of HCUK – Harmony, Sincerity and Pioneering Spirit – are the same as the values upon which Hitachi, Ltd. was originally founded.

As part of our commitment to conduct business ethically, we aim to ensure that the risk of slavery 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.

#### **Company Overview**

Our business is headquartered in Staines-upon-Thames, with a significant presence in Leeds, Newbury, Trowbridge and Telford and smaller offices in Buckinghamshire and Amsterdam.

We are a leading financial services company, 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 1,300 people and had net earning assets of over £5 billion in the financial year ended 31 March 2019. We employ temporary workers from time to time to address peak periods of business. We are committed to paying all our staff at least the “Real” Living Wage, as published by the Living Wage Foundation. This commitment extends to temporary workers and will have been implemented in respect of all staff by the end of September 2019.

#### **Our Supply Chains**

Business is sourced direct (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 UFJ 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 other 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 five hundred suppliers of products and services.

Further details about HCUK's business are set out in our *Annual Report & Financial Statements*, which are published on our website: [www.hitachicapital.co.uk](http://www.hitachicapital.co.uk) .

### **Our Policies**

We liaise closely with the Corporate Social Responsibility team at Hitachi Capital Corporation and have adopted a number of global policies which address issues relevant to slavery and human trafficking, including

- [The Hitachi Capital Group Code of Conduct](#);
- [The Hitachi Group Human Rights Policy](#);

Within HCUK, we have in place policies and processes which address issues relevant to slavery and human trafficking, including:

- Written employment practices and procedures which ensure fair recruitment and treatment of employees;
- A written whistleblowing policy and procedure, which enables 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 written procurement policy outlining our requirements 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 2019**

In the past financial year we have taken action with the aim of ensuring that the 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, when supply contracts 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.

We also continued the process of upgrading our contracts with suppliers of cleaning and security services at more of our sites to ensure that the wages they pay to their staff align with the "Real" Living Wage (not just the mandatory minimum wage) and issued tenders in respect of the remaining sites, all of which require bidders to commit to paying at least the "Real" Living Wage.

#### **Policies:**

The Company adopted a revised and updated version of the Hitachi Capital Group Code of Conduct. The Code continues to 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.

We also updated our whistleblowing policy and procedure to provide a facility for staff to raise issues with an independent organisation if they wish to preserve their anonymity.

Procurement and Due Diligence:

Our Procurement team deployed an e-sourcing tool through which due diligence and all tenders are conducted and which includes a secure repository for supplier contracts, policies and certifications. This provides an auditable solution so that the Procurement team can readily identify any suppliers which ought to be the subject of enhanced due diligence.

Risk Assessment and Management:

The Enterprise Risk team enhanced the Company's risk framework by implementing a Governance, Risk & Compliance tool, which assists the organisation in identifying and assessing potential risks to the Company and the controls / actions necessary to mitigate those risks. Each business division and service function within the Group maintains a risk register, which is continually reviewed and updated and which feeds into the Group's overall risk register. The risk register relating to the Procurement function continues 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 Company has put in place appropriate mitigants to address this risk (including the requirement for robust tender processes and enhanced due diligence).

Measuring Effectiveness:

The Board approved the formation of a new Corporate Social Responsibility (CSR) Forum, whose main role will be to support the implementation of, and monitoring of compliance with, the CSR policy which requires our staff and business partners to follow it (or equivalent policies of their own) in relation to human rights in our organisation and our supply chain. The CSR Forum meets quarterly and has modern slavery as a standing agenda item. It will also be responsible for establishing targets designed to measure the effectiveness of our CSR initiatives, including any anti-slavery and human trafficking indicators.

Training

Our Learning & Development team commenced a comprehensive review of our training programmes. This will result in the provision of new training modules, including a Corporate Social Responsibility module which will include information on modern slavery and human trafficking to the extent necessary to address any areas of high risk.

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

**Our continuing commitment**

We will continue to take these and other steps during the current financial year, 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 other Hitachi companies in order to remain aware of good practice.

We have registered our contact details on the Home Office's Modern Slavery Contacts Database and continue to take account of updates to the Home Office guidance on the Modern Slavery Act as and when they are published.

**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 31 March 2019. It was approved by the Board on 12th August 2019.

A handwritten signature in black ink, appearing to be 'R Gordon', written in a cursive style.

**Robert Gordon**

**Chief Executive Officer**