

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

### **Anti-Slavery and Human Trafficking Statement 2020**

#### **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.

#### **Group Overview**

HCUK is headquartered in Staines-upon-Thames, with a significant presence in Leeds, Newbury, Trowbridge and Telford, a smaller office in Buckinghamshire and a subsidiary company in Amsterdam.

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 1,400 people and had net earning assets of approximately £6 billion in the financial year ended 31 March 2020. We employ temporary workers from time to time to address peak periods of business. We are committed to pay all our staff at least the “Real” Living Wage, as published by the Living Wage Foundation <https://www.livingwage.org.uk/>. This commitment extends to temporary workers as well as permanent members of staff.

#### **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 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 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**

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 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 2020**

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, 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.

All cleaning and security service contracts have been upgraded to include relevant clauses in relation to modern slavery and human trafficking, including ensuring that the Real Living Wage is being paid. HCUK has been recognised for this (as well as its commitment to continue to pay all its staff the Real Living Wage) and is now 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.

As part of the Company's Enterprise Risk Framework, a revised and updated whistleblowing policy standard was approved and an internal marketing campaign was rolled out to promote the use of an independent whistleblowing hotline, which is available to all staff.

Our dedicated Financial Crime Prevention Team led the implementation of a suite of policy standards covering topics such as Anti-Money Laundering, Customer Due Diligence and Investigations, all of which will help to mitigate the risk of modern slavery or human trafficking taking place within our business or in our supply chains.

Other parts of the Enterprise Risk Framework introduced during the year, which make express reference to the Modern Slavery Act, include policy standards on Corporate Social Responsibility, Procurement Engagement and Supplier Relationship Management.

## Procurement and Due Diligence

Checks are completed as part of the due diligence process for prospective suppliers to try to ensure that they 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. The Procurement team continued to work closely with the business to check that existing suppliers maintain such measures, primarily by means of regular review meetings and annual audits in line with our supplier relationship management framework.

Furthermore, with effect from 1<sup>st</sup> April 2020, HCUK requires suppliers to agree to a Supplier Code of Conduct. The code applies to all those involved in procurement tenders and supplier engagements and, whilst it does not replace a contract, it 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

The Company has continued to develop its use of the Governance, Risk & Compliance tool, in particular, the development of system generated management information, which assists the organisation to oversee potential risks to the Company and the controls / actions necessary to mitigate those risks. Each business unit 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

Our Corporate Social Responsibility (CSR) Committee continues 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 Committee meets quarterly and has modern slavery as a standing agenda item. It is also responsible for establishing targets designed to measure the effectiveness of our CSR initiatives, including any anti-slavery and human trafficking indicators. 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:

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

### Training

As a result of a comprehensive review of our training modules, a number of new training modules are to be introduced. One of these modules will be focused on Corporate Social Responsibility and will include information on modern slavery and human trafficking to the extent necessary to address any areas of high risk. These modules will be implemented by December 2020 and will need to be completed by staff annually.

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 other Hitachi 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.

### 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<sup>st</sup> March 2020. It was approved by the Board on 28 May 2020.



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