

Mitsubishi HC Capital UK PLC

Anti-Slavery and Human Trafficking Statement

2023

Our Values and Principles

Mitsubishi HC Capital UK PLC (“MHCUK”) is a wholly-owned subsidiary of Mitsubishi HC Capital Inc, a Japanese company which became MHCUK’s parent company in 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 Corporation, Mitsubishi UFJ Financial Group Inc and Hitachi, Ltd. For the vast majority of our business in the UK we now trade under the name “Novuna”. Notwithstanding these changes, the vision, brand promise and values of MHCUK – Harmony, Sincerity and Pioneering Spirit – remain the same. Together with our shareholders and other stakeholders, we remain committed to doing business ethically and to making a valuable contribution to society.

As part of this commitment, 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. Following their transfer from our parent company in August 2022, the MHCUK Group includes three vehicle leasing companies in Europe (based in the Netherlands, Germany and Poland respectively, with branches in other European countries). These companies are owned through a 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: Novuna Consumer Finance, Novuna Vehicle Solutions, Novuna Business Finance, Novuna Business Cash Flow and European Vendor Finance.

Together, the business employs over 1,800 people in the UK (2,250 including the overseas subsidiaries) and had net earning assets of almost £7.6 billion as at the close of the financial year ended 31 March 2023. We are committed to pay our staff at least the “Real” Living Wage,

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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 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 of products and services (including those organisations which introduce business to us). Following a review of our approved suppliers during the year, approximately 100 of them are categorised as core suppliers.

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 Human Rights Policy, in addition to the Group's Code of Ethics and Code of Conduct. Such policies and codes require strict compliance with all legal requirements and respect for human rights and other internationally accepted standards. They are published on our website and all officers and employees of the Company must follow them .

[the-mhc-group-human-rights-policy.pdf \(mitsubishihccapital.co.uk\)](#)
[ethics.pdf \(mitsubishihccapital.co.uk\)](#)

Over time, we expect to adopt more policies required by our parent company as a minimum standard. However, 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 2023

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. MHCUK remains accredited as a Real Living Wage Employer by the Living Wage Foundation and we took action to ensure that the suppliers of cleaning and security services increased the pay of their staff from April 2023 so that their wages remained at or above the increased Real Living Wage announced in September 2022.

Policies

During the year, as the remit of our Corporate Social Responsibility (“CSR”) Committee had become so expansive that it was finding it difficult to deal with matters in sufficient depth, we divided the CSR Committee into two new committees, ESG – Social & Human and ESG – Environment respectively, each with new terms of reference. This has enabled the ESG – Social & Human Committee to concentrate fully on social and human rights issues and it continues to consider modern slavery as a standing agenda item at each of its meetings. Further to the proposal reported last year, MHCUK bolstered its Anti-Slavery and Human Trafficking Policy Standard this year, by adding express statements prohibiting specified business practices which are unacceptable and requiring that workers are provided with specified minimum rights and freedoms.

Last year we reported that we had made amendments to our Group Whistleblowing Process to make it clear that any cases of suspected modern slavery could be reported using the process. However, no concerns relating to modern slavery or human trafficking were reported during the year ended 31 March 2023.

MHCUK noted the publication in 2022 of the British Standards Institution’s guidance on “Organizational responses to modern slavery”. The ESG – Social & Human Committee plans to have regard to this guidance in future years in order to ensure that MHCUK’s approach to the risks of modern slavery and human trafficking is consistent with the guidance.

Procurement and Due Diligence

. The Procurement team continued to work closely with the business to check that:

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- 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). This 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, which 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 2023 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. The risk registers for the Human Resources function, Facilities, and relevant business units also include potential risks relating to modern slavery and human trafficking, each with appropriate mitigating controls.

During the year we reviewed each of the improvements suggested in the assessment report produced following our submission to the Home Office's Modern Slavery Assessment Tool (MSAT), which is designed to assist public sector customers to assess the capacity of potential suppliers to manage and prevent the risks of modern slavery and human trafficking and to help such suppliers to strengthen their mitigating controls. We responded to each suggestion, attaching evidence where appropriate, and explained what action we had taken, or were going to take, to address the suggestions. Action taken during the year included establishing a new KPI (described below) and action to be taken this year includes adding provisions to our supplier contracts intended to preserve and enhance the protections that suppliers provide to their staff. In addition, our Sustainability Team is researching whether MHCUK should work with a non-governmental organization (NGO) and, if so, which one would be the most suitable partner.

Measuring Effectiveness-KPI's

During the year MHCUK continued to monitor Key Performance Indicators in respect of modern slavery risks, on a quarterly basis. These KPI's include metrics relating to the percentage of

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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). In line with the suggestions for improvement from the MSAT assessment report (referred to above), we introduced a new KPI with effect from 1 April 2023, which will monitor the extent to which any whistleblowing reports raise concerns relating to modern slavery or human trafficking.

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.mitsubishihccapital.co.uk/media/dnakmqhn/esg-report-year-ended-31-march-2023.pdf>

Training

Our "People Essentials" e-learning module 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.

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 guidance on the Modern Slavery Act from HM Government and other organisations as and when they are published. We will continue to submit our annual anti-slavery statements to the Government's 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 Mitsubishi HC Capital UK PLC's slavery and human trafficking statement for the financial year ended 31st March 2023. It was approved by the Board on 20 September 2023.



Robert Gordon
Chief Executive Officer

