

## **Mitsubishi HC Capital UK PLC**

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

**2024**

#### **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 and Mitsubishi UFJ Financial Group Inc. For the vast majority of our business in the UK we 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 and/or subsidiaries of their own 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 1,850 people in the UK (2,300 including the overseas subsidiaries) and had net earning assets of over £8.1 billion as at the close of the financial year

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ended 31 March 2024. 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 Mitsubishi companies or via the reputable finance companies with whom we have established formal partnerships.

The vast majority (95%) of the goods and services which we purchase in order to operate our business are sourced from the UK or from EU countries, with most of the remainder being supplied from Japan. We take all reasonable steps to avoid sourcing goods or services from any countries where the risk of modern slavery is high.

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**

MHCUK has 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 communicated transparently to employees, which focus on 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

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- 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 2024**

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 2024 so that their wages remained at or above the increased Real Living Wage announced in October 2023.

We continue to partner with our suppliers to conduct comprehensive background checks on all potential employees. As part of our procurement practices and contracts, we insist that our suppliers ensure that they complete background checks and verify eligibility to work in the UK.

### **Policies**

Following the division of our Corporate Social Responsibility (“CSR”) Committee into two new committees, ESG – Social & Human and ESG – Environment respectively, the ESG – Social & Human Committee has concentrated wholly on social and human rights issues and continued to consider modern slavery as a standing agenda item at each of its meetings.

During the year, we expanded the scope of our Group Whistleblowing Policy to include workers supplied by contractors (such as cleaners and security staff) who work at our sites and we took steps to publicise this fact in all our locations (including putting up posters which provide relevant contact details) so that such workers are able to report concerns or seek advice directly.

Although the Modern Slavery Act 2015 does not apply to organisations outside the UK, we are extending the principles set out in the Mitsubishi HC Capital Group Human Rights policy and MHCUK’s Modern Slavery Policy Standard to apply to all our overseas subsidiaries.

As reported last year, the ESG – Social & Human Committee intends to have regard to the British Standards Institution’s guidance on “Organizational responses to modern slavery” in

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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:

- 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 (which may take place at the supplier's premises where considered appropriate) and annual audits (which require an explanation of the supplier's training arrangements in respect of modern slavery and, where applicable, production of the supplier's annual anti-slavery statement) 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.

In line with the improvements suggested in the assessment report produced following our previous submission to the Home Office's Modern Slavery Assessment Tool (MSAT), we bolstered the Supplier Code of Conduct by making it clear that we expect suppliers not to do anything to prevent or inhibit workers from associating freely or from forming or joining a trade union and that we encourage them to help workers in their supply chains to have access to representation.

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). The questionnaires and supporting documentation provided by prospective suppliers are reviewed by members of the Group Procurement function, who have access to relevant training from the Chartered Institute of Procurement & Supply. Any supplier which is unable or unwilling to provide evidence of how it addresses the risk of modern slavery and related issues is unlikely to be approved.

## **Risk Assessment and Management**

Throughout the year ended 31 March 2024 each business unit and service function within MHCUK 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

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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.

This enables the business as a whole to take a risk-based approach, which helps us to focus on areas of the supply chain which are judged to be more susceptible to the risks of modern slavery and human trafficking, such as cleaners and security staff supplied by contractors. In this area, in addition to the formal controls referred to above, mitigation includes informal activity such as regular conversations between our Facilities teams and individual cleaners and security guards (many of whom have worked in our offices for several years).

## **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 suppliers which are committed to follow MHCUK's Supplier Code of Conduct, the percentage of staff who have completed our mandatory training on modern slavery (described below) and, from 1 April 2023, the extent to which any whistleblowing reports raise concerns relating to modern slavery or human trafficking. However, no concerns relating to modern slavery or human trafficking were reported through the whistleblowing process during the year ended 31 March 2024.

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.

## **Working with an NGO**

Following extensive research by our Sustainability Team and approval by the ESG – Social and Human Committee of a formal proposal, MHCUK has committed to a partnership with the anti-slavery charity, Unseen. Through this partnership we aim to develop MHCUK's approach to modern slavery further, by learning from Unseen's expertise in the field. The first phase of the partnership, during which Unseen will undertake a primary gap analysis of MHCUK's current approach, core policies and process in respect of modern slavery, is already underway and we look forward to receiving and acting upon the results in due course.

## **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.

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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 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 31<sup>st</sup> March 2024. It was approved by the Board on 25 September 2024.

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

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