HCMUK (IOP) Internal Operating Policy					HITACHI Reliable Solutions
HCMUK Modern Slavery Transparency Statement					
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Hitachi Construction Machinery Ltd (or "HCMUK") recognises the importance of identifying and preventing modern slavery and its causes in our business and supply chain. This statement, our fourth made under Section 54 of the Modern Slavery Act 2015, sets out the steps we have taken to address Modern Slavery and Human Trafficking in our business and supply chain in the year to 31 March 2023.

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as harsh or inhumane treatment, slavery, corporal punishment, servitude, forced and compulsory labour, debt bonded and human trafficking, all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

Structure

Hitachi Construction Machinery UK Ltd (HCMUK) is a wholly owned subsidiary of Hitachi Construction Machinery Ltd ("HCM") in Japan, whilst being part of the HCM family, HCMUK operates solely in the United Kingdom from multiple locations. The company's registered office being **Unit 5 Monkton Business Park North, Hebburn, Tyne and Wear, NE31 2JZ.**

HCMUK is a dealer of HCM heavy plant and equipment also offering customer focussed solutions and aftersales services including service, repairs, and replacement parts for HCM excavators. Our head office provides administration support to our fourteen depots throughout the UK and houses our main machinery production centre. HCMUK employed 274 direct employees (as of 31st March 2022)

Corporate Social Responsibility (CSR)

The company has a zero-tolerance approach to modern slavery. We recognise that slavery is not just an ethical and human rights issue, it is one of criminality and we understand that corruption is a key factor and driver of exploitation. As part of our corporate governance agenda, we are committed to acting ethically and with integrity in all our business dealings and relationships, conducting business in a way that minimises the risk of slavery or human trafficking in our own business and in our supply chains as much as possible.

We also strive to engage employees in understanding why addressing modern slavery is important and how to identify and act on indicators of slavery. The company has implemented Slavery & Human Trafficking and Human Rights policies aimed at preventing the use of any supplies or services within the organisation which do not conform within the requirements of the Modern Slavery Act 2015.

Supply Chain

In line with HCM'S global human rights approach to create a value chain where the human rights of all stakeholders are respected, HCMUK seeks to align with suppliers who actively address modern slavery regulations.

Our supply chain comprises of the importation of construction equipment and spare parts from HCM group companies located in the Netherlands, Japan and China, as well as sourcing local products and using subcontractors for the purpose of manufacturing and maintenance of construction equipment and the delivery of services to our customers. We acknowledge that this is an ongoing process, and in common with other companies will face challenges. We collaborate with external stakeholders to overcome any challenges.

Respecting human rights and environmental issues is at the forefront of our vision. All prospective suppliers and business partners are subject to our Business Partner Due Diligence process, which enables us to assess the suitability of any companies who may supply products and/or services to us, and therefore become a part of our supply chain. We continue to work with current suppliers and business partners to ensure that the provision of goods and or services adheres to the company's expected standards and to ensure that our Due Diligence process is effective.

Staff Involvement and Training

The Company's Board of Directors have approved this policy. Managers of the company are required to act where concerns are reported whether from inside or outside the business. All employees are made aware of the company's Slavery and Human Trafficking Policy and the importance of complying with the requirements. To ensure proper understanding of the risks posed by modern slavery and human trafficking, the company aims to provide periodic face to face training and e-learning courses to all employees.

All current and new employees are supplied with a copy of HCMUK Whistleblowing Policy and contact details for the HCM Group Global Alert Line, which is a confidential and anonymous helpline where employees can raise concerns which they feel they cannot within the company. Policies are available to company employees via company notice boards and intranet. All new & existing employees educated regarding the company's stance regarding Slavery & Human Trafficking this includes face to face training, electronic training, and discussion points during our induction process.

In the last 12 months we have:

- Continued to update and strengthen our Business Partner Due Diligence process for all new and current suppliers, requiring each supplier to confirm their commitment to our business and ethical standards.
- Due diligence assessment questionnaires distributed to all existing suppliers, including communication regarding the company's stance relating to Slavery and Human Trafficking and Child Labour. The company has further strengthened the Due Diligence function with the addition of **Refinitiv World-Check One** a screening and due diligence tool which provides access to a comprehensive database of high-risk individuals and organisations which are researched and validated by Refinitiv's research team.
- Appointed a new Quality Manager who will work closely with our procurement team to undertake supplier auditing and monitoring.

Our Plans: for 2023:

- We are in the process of implementing a new internal management system which will help to enhance visibility of supply chain, risks in corporate social responsibility (CSR) and sustainability.
- Appointment of a Compliance Manager.
- Provided training to all managers and relevant stakeholders.

Sustainability Risk Assessment:

We will continue to conduct annual risk assessments of our supply chain including any new partners and service providers. Policies and procedures will be updated and renewed when necessary. Our Learning and Development department will continue to produce, and source externally, where required, training programmes for new and current employees. This will include specific training on Slavery & Human Trafficking and Child Labour awareness. We aim to strengthen and improve the Business Partner Due Diligence function and are currently reviewing software packages to further improve and automate this process. Furthermore, the Company will improve internal communication channels through the release of our updates via the company intranet and document management system.

We aim to conduct audits of Tier 1 suppliers to monitor and confirm their Compliance, Sustainability, Quality, Health & Safety, Legal and Social Responsibility requirements are in place and in line with the standards of HCMUK.

Breaches of this Policy

Should you believe or suspect a breach of this policy has occurred, or may occur, you must notify your line manager immediately or report it in accordance with our Whistleblowing Procedure or Hitachi Global Compliance Hotline as soon as possible.

Related Company Policies

- HCMUK Slavery and Human Trafficking Policy
- HCMUK Whistleblowing Policy
- HCM Global Compliance Hotline
- HCM Group Codes of Conduct
- Hitachi Group Human Rights Policy
- HCMUK Business Partner Due Diligence Policy
- HCMUK Human Rights Policy
- Ethical Sourcing Policy
- Due Diligence
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This statement approved by:



David Roberts
Chairman/CEO
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