

ORIX Australia
Corporation Limited's
**Modern Slavery
Statement**



For the Financial Year ending
31 March 2021

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1 Our Philosophy

As part of the global ORIX Corporation group (“the ORIX Group”), we are committed to building and being a part of a sustainable society. We believe that in order to be true to ORIX’s core values of pride, trust and respect, we need to continually invest in and ensure that our supply chain has a positive contribution to society. We aim to be a company that exceeds international standards by responding not only to the expectations of all our stakeholders but also to the expectations of society as a whole. This is critical in retaining and proving that we are worthy of trust and respect from our stakeholders.

As a signatory to the UN Global Compact, the ORIX Group has made a public commitment to support the sustainable development goals (including reduced inequalities, sustainable industry and responsible consumption and production). The actions and reviews undertaken by us under the MSA directly support these goals.

2 Our Approach And Progress

This is our second statement and it describes our approach in continuing to identify and reduce the risk of slavery and human trafficking in our operations. Building on the gap analysis of the processes in our supply chain undertaken by a specialist modern slavery compliance company, we continue to review and classify the suppliers with which we spend most of our money into different risk categories (based on known risk data by industry, location and spend). We then performed a similar exercise with entities in the supply chains of our suppliers (down to the tenth tier of our operations and supply chains) to obtain a clearer picture of the slavery and human trafficking risks in our current operations.

Broadly, our highest risk suppliers currently are vehicle manufacturers (due to the relative spend and the sourcing of metals from at risk countries).

We have a dual approach to respond to these observations –

- **Procurement** – implementing additional ongoing due diligence and audits (including checks on modern slavery risks) in our selection, onboarding and management of our suppliers;
- **Training and education** – raising awareness and working together with our employees, customers and suppliers in relation to what the expected standard of behaviours are, and signs to be aware of. All OACL Group employees have been trained on these behaviours and what is expected of them. Our suppliers are also provided with and are asked to affirm the ORIX Supplier Code of Conduct which sets out our expectations of their employees, their contractors and their supply chain.

COVID-19 also introduces new challenges to this work, with additional pressure on supply chains potentially increasing the risk that companies may rely on alternative suppliers (with known or potential modern slavery practices) due to a lack of options. Additional operational challenges posed by COVID-19 also had the potential to divert focus and resources away from managing modern slavery related matters. Being aware of these risks and staying in contact with our specialist modern slavery compliance company has helped ORIX stay on track. As a result, ORIX has been in closer contact with our suppliers and has provided more flexible options and data collection methods to help them navigate and complete our risk mitigation processes.

We have continued to follow the roadmap laid out last year in strengthening our supply chain management and collaborating with our suppliers to reduce the human cost of modern slavery in our business.

3 Our Business And Activity

OACL is 100% owned by ORIX Corporation, which is based in Japan and is listed on the Tokyo Stock Exchange and on the New York Stock Exchange.

OACL has its headquarters at 1 Eden Park Drive, Macquarie Park in Sydney, Australia and trades exclusively in Australia. OACL has approximately 260 employees and contractors.

ONZ is 100% indirectly owned by OACL. ONZ has its headquarters at 32 Manukau Road, Newmarket in Auckland, New Zealand and trades exclusively in New Zealand. ONZ has approximately 90-100 employees and contractors. The OACL Group has no other operating subsidiaries, controlled entities or overseas operations.

The OACL Group is primarily a services provider of the following:

- Operating and finance leases of motor vehicles;
- Novated leases of motor vehicles;
- Loans for business vehicles;
- Selected salary packaging services;
- Short term vehicle hire; and
- Management of vehicle fleets.

The vehicles leased, hired and managed include passenger and light commercial vehicles, heavy commercial vehicles, equipment and machinery.



4 Our Supply Chain

As both OACL and ONZ are primarily services businesses, we rely on manufacturers and dealers to provide vehicles and suppliers to provide parts and related services. We undertake rigorous supplier probity procedures to enable the OACL Group to have visibility and control over the supply chain.

The supply chain would vary depending on the product and services provided, and may include the following:

- Engaging dealers and manufacturers to acquire vehicles;
- Engaging dealers, auction houses and other vehicle disposal channels to dispose of vehicles;
- Engaging repairs and maintenance providers to maintain and repair vehicles;
- Engaging motor vehicle parts providers to provide parts or builds;
- Engaging roadside emergency breakdown and accidents and claims management services;
- Working with road transport authorities to ensure vehicles are appropriately registered;
- Engaging with telematics providers to provide fleet navigation and informatics technology.

4 Our Supply Chain

Through reviewing the supply chain vertically (down to the tenth tier), we have identified the following key risks:

1. Risks of non-compliance with employment laws in Australia and New Zealand (including minimum wage, superannuation and workplace health and safety requirements) in repairs and maintenance providers that are in the small to medium business category;
2. Risks of non-compliance with employment laws in Australia and New Zealand (including minimum wage, superannuation and workplace health and safety requirements) in providers of vehicle disposal services;
3. Risks of modern slavery practices in vehicle manufacturers (based overseas) and their suppliers sourcing parts, equipment and materials (e.g. chemicals and metals) for the manufacturing of vehicles (from at risk countries) further down the supply chain where the OACL Group has less visibility and control;
4. Additional pressure on supply chains posed by COVID-19, such that companies within the supply chain rely on alternative suppliers (with known or potential modern slavery practices);
5. Additional operation challenges posed by COVID-19, such that less focus and resources are allocated to manage modern slavery related matters; and
6. Risk of reputational damage and legal liability in relation to any of the above.



5 Our Actions And Next Steps

Based on the UN Guiding Principles (Principle 24) to focus on the most severe risks, in the second year of this statement, the OACL Group has focused on addressing the first three risks through designing, implementing and reviewing actions across the supplier engagement, onboarding and management processes.

We have also addressed the next two risks by ensuring processes we have set up last year are continuing despite COVID-19, by inviting feedback and being flexible with how responses are obtained from suppliers within the supply chain.

5.1 Actions throughout the supplier selection, onboarding and management

Prior to onboarding a supplier

- A. Controlled selection process**
- B. Risk-based supplier probity procedure required to be performed based on initial risk assessment of the supplier**

Onboarding a supplier

- C. Obtain evidence, certifications and statements from supplier**

Annual checks

- D. Obtain evidence, certifications and statements from supplier**
- E. Annual supplier risk reviews**
- F. Audits performed without notice**

Disciplinary process

- G. Disciplinary process (including removal of a supplier from the vendor list) should the supplier fail any aspects of the supplier probity procedure and/or annual checks**

5 Our Actions And Next Steps

Controlled selection process (A)

The selection of our suppliers is controlled by subject matter experts, with qualified mechanics actively engaged in approaching and vetting repairs and maintenance providers that are in the small to medium business category across metropolitan and regional Australia and New Zealand. These subject matter experts are supported with initial supplier checklists and ORIX Supplier Code of Conduct tools to initiate conversations and to understand where those suppliers sit on the spectrum of compliance including but not limited to employment laws, health and safety and service delivery.

Risk-based supplier probity procedure (B)

The selection process is supported by a robust supplier probity and due diligence process, involving verification of the company's existence and key details through company searches, verification of both online and physical presence. This supplier probity process is scalable depending on risk factors, with higher risk suppliers subject to a more detailed review.

Initial and ongoing requirement to provide evidence, certification and statements (C/D)

We require our suppliers to provide copies of relevant licences, insurance certificates of cover and compliance statements (including compliance with the ORIX Supplier Code of Conduct) both in the onboarding process, annually and on request.

Annual supplier risk reviews (E)

Our team of subject matter experts continually (and, at the minimum, annually) evaluate our suppliers based on performance factors (including reliability, cost compared to market, quality of work, customer feedback etc) as well as non-performance factors (safety, anti-money laundering, anti-bribery and corruption, modern slavery risks etc).

Audits performed without notice (F)

The majority of our suppliers are subjected or subjectable to audits during business hours without notice, and audits outside of business hours with reasonable notice. The audits would be performed by subject matter experts and would evaluate both performance factors and non-performance factors.

5 Our Actions And Next Steps

Disciplinary process (G)

If any exceptions in the requirements in (A) to (F) above are flagged, we would engage directly with the supplier to work with them to resolve or remediate the issues noted. However, should the supplier prove unwilling or unable to improve its practices, we would have a process where that supplier is no longer used or included in the vendor list.

5.2 Next steps

In subsequent years of our modern slavery statements, we will continue reviewing and evaluating the effectiveness of these actions. We will also work to tailor the actions to better detect and mitigate the risks of modern slavery. Our Internal Audit team will continue to play a vital role in supporting this evaluation process. We would also consult with our suppliers to obtain feedback on the current supplier management process with a view to improve and refine specific actions. There will also be an element of continuing education for both our staff, customers and suppliers more broadly to raise awareness and highlight the importance of the role that we all play in reducing the risks of modern slavery.



6 Closing

There continues to be a significant challenge ahead for us in doing everything reasonably practicable to actively reduce the human cost of slavery, exploitation and human trafficking in our supply chain. However, we believe this challenge is worthwhile and we welcome this challenge in the years ahead.

This statement was approved by the Board of ORIX Australia Corporation Limited in June 2021.

Signed,



Reggie Cabal
MD and CEO - ORIX Australia and New Zealand





About ORIX Australia

Since 1986, two attributes have pointed the way for us to become and remain leaders in vehicle leasing, rental and fleet management.

ORiginality and fleXibility. That's what makes us ORIX.

We're in the business of moving people, and products, from A to B more simply, safely and cost-effectively. By working together we can find flexible solutions to help you better navigate the road ahead.

Our innovation mindset has been recognised by the Australian Financial Review, the Workplace Gender Equality Agency and the Human Resources Director.



Working together starts here.

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