

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



For the Financial Year ending
31 March 2024

orix.com.au

ORIX Australia Corporation Limited
ABN 79 002 992 681

Approval of this Modern Slavery Statement under the Act

This Modern Slavery Statement ("Statement") was approved by the Board of ORIX Australia Corporation Limited in its capacity as the principal governing body on 14 June 2024.

Pursuant to the requirements of the Modern Slavery Act 2018 (Cth), the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

This Statement is signed by Reggie Cabal in his role as Managing Director and Chief Executive Officer on 14 June 2024.



Reggie Cabal
MD and CEO - ORIX Australia and New Zealand



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Part One:

The reporting entity structure, operations, and supply chain

The reporting entity structure, operations, and supply chain

- 1.** The reporting entity covered by this Statement is ORIX Australia Corporation Limited ("**OACL**") – ABN **79 002 992 681**. ORIX New Zealand Limited ("**ONZ**") is a controlled entity that is indirectly owned by OACL. Except where separate reference is contextually appropriate, this Statement refers to OACL and ONZ collectively as "OACL", "we", and "our".
- 2.** Our structure, core operations and supply chain remain materially unchanged from previous reporting periods. Substantive similarities between descriptions in this Statement and previous statements reflect the ongoing accuracy of these largely static reporting criteria.
- 3.** OACL is wholly owned by ORIX Corporation, which is a global corporation based in Japan and is listed on the Tokyo Stock Exchange and on the New York Stock Exchange.
- 4.** OACL's Australian operations employ 251 staff and contractors.¹ These staff are engaged in a variety of roles, including sales, rental, customer service, corporate functions, administration, and vehicle operations. This represents an increase from the fourth reporting period and is a testament to our growing operations.
- 5.** OACL headquarters are located at 66 Talavera Road, Macquarie Park NSW. We have seven other offices across Australia at Ingleburn (NSW), Laverton North (VIC), Eagle Farm, Rocklea and Townsville (QLD), Wingfield (SA) and Kewdale (WA). During the reporting period, operations ceased at our former office location in Adelaide (SA).
- 6.** OACL also wholly owns the following non-operational entities, which have not entered any supplier contracts, employed any staff or otherwise been actively engaged in business activities:

¹As at the conclusion of the reporting period on 31 March 2024.



The reporting entity structure, operations, and supply chain

- ORIX Australia (Securities) Pty Ltd – ABN 15 003 968 401
 - ORIX Australia (International) Pty Ltd – ABN 66 003 572 950
 - ORIX Hire Pty Ltd – ABN 75 087 514 565
 - ORIX Australia (Real Estate) Pty Ltd – ABN 96 120 129 633
 - ORIX Australia (North Queensland) Pty Ltd – ABN 50 120 135 917
 - ORIX Australia (Southern Queensland) Pty Ltd – ABN 48 120 135 908
7. ONZ operates exclusively in New Zealand. ONZ's head office is in Newmarket, Auckland. ONZ employs 121 staff and contractors across four locations.²
8. The core products and services offered by OACL remain unchanged and continues to primarily relate to the leasing, hiring and management of passenger and light commercial vehicles, heavy commercial vehicles, equipment, and machinery:
- Operating, finance and leases of motor vehicles
 - Novated leases of motor vehicles;
 - Loans for business vehicles;
 - Selected salary packaging services
 - Short term vehicle hiring
 - Management of vehicle fleets;
 - Specialised finance and asset finance.
9. We engaged with a total of **7,664 unique suppliers** during the reporting period, comprising 6705 vehicle fleet-related suppliers, 248 corporate suppliers for OACL (Australia only), and 711 suppliers for ONZ.
10. Our direct supplier engagement continues to be exclusively with Australian or New Zealand based companies that comprise large reporting entities, Australian-based subsidiaries of multinational corporations and smaller non-reporting entities.

² As at the conclusion of the reporting period on 31 March 2024.

The reporting entity structure, operations, and supply chain

- 11.** An industry category breakdown of our direct supplier engagement predominantly features motor vehicle-related suppliers, including the provision of new vehicles, repairs and maintenance services, replacement parts, industrial machinery, and fuel products.
- 12.** We also engage with what we consider to be a typical range of business service-related service providers including market research, computer and technical services, banking, insurance, accounting, recruitment, real estate, legal and telecommunications/IT.
- 13.** All significant new suppliers that were onboarded during the reporting period operate within our existing dominant industry categories – including vehicle repair and maintenance suppliers, motor dealers and vehicle brokers.



Part Two:

Identifying, assessing, and addressing potential modern slavery risk

Identifying, assessing, and addressing potential modern slavery risk

Supply chain

- 14.** There has been no material change in the core industry sectors that OACL directly engages with, and the comprehensive and multi-tiered supply chain risk assessment that we have previously engaged external subject matter experts to undertake through comprehensive analysis of our procurement data remains current and applicable.
- 15.** We review and assess our supply chain, on an ongoing basis, for potential changes in risk exposure. Our primary means of doing this is through remaining current in assessing documented industry risks that may be associated with our highest procurement spend categories. These categories have not changed across reporting periods and continue to relate to Australian-based fuel suppliers, and vehicle fleet providers / dealerships.
- 16.** We recognise documented issues relating to elevated modern slavery risks deep in the supply chains of the global vehicle manufacturing industry (including specifically relating to electric vehicles ('EVs')). The individual supply chains of the thousands of individual component parts that go into the production of a single vehicle are incredibly complex and difficult to map, which can hide significant elevated modern slavery risk exposure.
- 17.** While the risks are potentially elevated for all types of motor vehicles, OACL acknowledges that these risks can be even more significant in relation to the manufacturing of EVs. This is primarily due to the combined effect of high-risk materials and supply chain inputs, along with core manufacturing locations. EVs require technologically advanced inputs such as lithium batteries, and more advanced electronic and computer systems (including microchips) that are strongly associated with elevated modern slavery risk. Other potentially elevated risk areas in vehicle manufacturing supply chains may include the mining of raw metals such as lithium, copper, and cobalt, along with other recognised conflict minerals, rubber for tyres, electronic componentry manufactured in higher-risk locations and aluminium and steel – from raw material extraction to smelting/refinement processes.
- 18.** At a global scale, the supply chains relating to the extraction, refinement and international transportation of fuel and petroleum-based products also represent an area of recognised elevated modern slavery risk. Such documented risks are quite removed from the direct supplier relationships through which we procure fuel products.
- 19.** As previously described in earlier statements, a significant proportion of our major fuel suppliers are reporting entities under the Act, and our fleet suppliers and vehicle dealerships range from large reporting entities to smaller family-owned companies.

Identifying, assessing, and addressing potential modern slavery risk

20. The following is an overview of new and extended measures implemented during the reporting period to ensure that our approach to addressing potential areas of supply chain risk is continuously improving.

- **Developed and implemented a practical audit checklist to assess and address potential areas of supplier risk in relation to modern slavery issues, which was utilised as part of routine quality assurance onsite audits/inspections.**

This is an 'on-the-ground' tool that has been specifically developed (and is used) by our Relationship Managers when conducting onsite quality assurance audits/inspections of vehicle workshops and bodywork suppliers. This was a planned measure that we flagged in our last statement, which arose after our team members, who were performing onsite audits, had detected some suppliers had hired migrant workers employed on employment-specific visas in relatively remote locations. OACL has met and fully implemented this commitment to integrating modern slavery considerations into the onsite audit process.

Some of the risk-mitigation areas it requires positive confirmation of include:

- Compliance with applicable local and national laws and regulations regarding worker protection and workplace safety.
- Legally binding and written employment contracts.
- No child labour.
- Ensuring any temporary or overseas employees are given same rights and working conditions as full-time employees.

As it was the first reporting period where this practical measure has been rolled out and implemented, OACL has primarily targeted those suppliers that were assessed as having potentially elevated risk (relative to our other supplier categories) including those in the mining industry, repairs and maintenance suppliers, vehicle workshops and body workshops. Some are also in regional and remote areas where local workers are not readily available so there is increased proportional numbers of overseas workers.

Our review of the onsite audit results confirmed that the potentially elevated risks associated with overseas workers is being appropriately mitigated.

We have also seen positive engagement from all suppliers audited so far and plan to continue with this approach as well as explore ways to enhance these onsite audits in future reporting periods.

Identifying, assessing, and addressing potential modern slavery risk

- **Internal training of new team members and specialised training for our staff who are responsible for undertaking onsite supplier inspections and audits.**

As with the rollout of our onsite audit checks, our training focus is very much on targeted content and practical impact. Primary emphasis is placed upon what risks could be present in our supply chain and educating our staff about key indicators to remain vigilant about when visiting suppliers. This included making observations on any signs of poor working conditions, the presence and level of empowerment of overseas workers (especially those on temporary work visas) and any potential 'red flags' that may indicate worker exploitation or vulnerability.

To support the operation of the modern slavery checklist, OACL created and delivered modern slavery education sessions for our Relationship Managers, who are primarily responsible for conducting the onsite inspections/audits of suppliers (as described above).

- **Modern slavery considerations as an integrated part of our overall supplier onboarding and management framework.**

As with many companies, our overall supplier onboarding framework was not originally developed with specific consideration for addressing modern slavery issues in the management of suppliers throughout the full procurement cycle. The Framework has now incorporated specific modern slavery elements within key 'action areas'.

We have continued to issue our modern slavery self-assessment questionnaire as part of the supplier review component of our procurement framework. We issued the questionnaire to a subset of our suppliers during the reporting period and have observed an overall improvement in the responses. While most respondents are not reporting entities, the survey responses indicated an increased uptake of programs such as modern slavery training, risk mitigation systems and implementation of modern slavery policies.



Identifying, assessing, and addressing potential modern slavery risk

risk mitigation frameworks having regard to our own assessment results concerning supply chain risks that are primarily situated in deeper tiers.

Each examined supplier demonstrated progress in its efforts to improve transparency into their supply chain, and to take steps to better address known risks that can exist in connection with various aspects of the vehicle manufacturing process.

Operations

- 21.** OACL's core operational business as a provider of fleet leasing services in Australia and New Zealand places it within both a sectoral and geographical context that we consider to be objectively low for any kind of direct modern slavery risk.
- 22.** Our workforce continues to be (and is expected to remain) predominantly comprised of highly skilled, salaried and contracted employees. None of our contracted workforce pays recruitment or any other fees associated with seeking or commencing employment. Staff retain all original identification documents as part of their employment terms, and OACL's written employment contracts abide by all local industrial relations standards and regulations.
- 23.** OACL also provides a confidential whistleblowing mechanism for reporting complaints and concerns on any workplace issue, including any alleged modern slavery practice or risks.
- 24.** All other operational measures that we have previously described in relation to ensuring our workforce is protected from any kind of exploitation remain in force.
- 25.** We did not receive any reports, or otherwise become aware, of any actual or suspected incidences of modern slavery practices of any kind in our operations or supply chains during the reporting period.

Part Three:

Measuring effectiveness, consultation with owned entities and other information

Measuring effectiveness, consultation with owned entities and other information

26. OACL continues to undertake regular reviews of our internal policies and procedures, monitoring and reviewing supplier questionnaires/checklists, onsite audit reports from our Relationship Managers, and monitoring employee training to ensure that our modern slavery response covers a broad spectrum of our day-to-day business activities.
27. Another notable feature of the reporting period that we consider to be a positive indication of our evolving approach to modern slavery issues is the feedback that we have received directly from suppliers we have engaged for both initial and ongoing due diligence activities. There has been great support and engagement to these new processes – both internally from our Relationship Managers and externally from key suppliers.
28. During the reporting period, 36 key suppliers completed our annual compliance checklist that specifically addresses a variety of issues relating to modern slavery risk. 35 of these suppliers underwent periodic internal review, and 17 new suppliers were subject to our initial supplier-specific risk review process.
29. In line with our commitment to ensuring that OACL team members who may engage with potential risk factors are appropriately trained and equipped, all new OACL team members who joined in this financial year (35 in Australia and 24 in New Zealand) received specifically tailored instruction on modern slavery issues as part of their formal employee induction process during the reporting period. In accordance with our training plan, all OACL staff will be required undertake modern slavery training in the next financial year.
30. OACL (Australia) and ONZ undertake internal consultation both in relation to the preparation of this Statement and in implementing our ongoing modern slavery response in both our Australia and New Zealand operations. The non-operational status of other listed owned/controlled entities means this reporting requirement was not otherwise applicable.

Looking Forward

31. In addition to our ongoing due diligence measures, OACL will focus on the following key actions in the upcoming reporting period:
 - Further rolling out our practical audit checklist across additional suppliers, completed by our relationship managers.
 - Increasing the number of suppliers issued with our annual compliance checklist, focusing on suppliers operating in identified higher risk categories.



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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