

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



For the Financial Year ending
31 March 2023

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 was approved by the board of ORIX Australia Corporation Limited in its capacity as the principal governing body of ORIX Australia Corporation Limited on 18 September 2023.

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 the Managing Director and Chief Executive Officer on 18 September 2023.



Reggie Cabal
MD and CEO - ORIX Australia and New Zealand



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Part One:

Our Structure, Our Business and Our Supply Chain

Our Structure, Our Business and Our Supply Chain

1. This is ORIX Australia Corporation Limited's fourth Modern Slavery Statement under the *Modern Slavery Act 2018* (Cth) ("the Act"). It describes our efforts to identify, assess and address modern slavery risk in our operations and supply chains for the reporting period ending 31 March 2023.
2. This Statement is lodged on behalf of the mandatory reporting entity, ORIX Australia Corporation Limited ("**OACL**") – ABN **79 002 992 681**.
3. OACL's structure, core operations and key supply chains remain consistent with descriptions provided in previous Statements. We have not identified any significant changes in the key areas of potential modern slavery risk since our last Statement.



Our Structure, Our Business and Our Supply Chain

Our Structure

4. 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.
5. During the reporting period, OACL had more than 250 employees and contractors. 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 third reporting period and is a testament to our growing operations.
6. OACL headquarters are located at 66 Talavera Road, Macquarie Park, Sydney. We have eight other offices across Australia:
 - Ingleburn (NSW);
 - Laverton North (VIC);
 - Eagle Farm (QLD);
 - Rocklea (QLD);
 - Townsville (QLD);
 - Adelaide (SA);
 - Wingfield (SA); and
 - Kewdale (WA).
7. ORIX New Zealand Limited ("**ONZ**") is a controlled entity that is indirectly owned by OACL. ONZ is headquartered in Newmarket, Auckland and trades exclusively in New Zealand. ONZ had more than 100 employees and contractors during the reporting period. This Statement refers to OACL and ONZ collectively as "OACL".
8. OACL also wholly owns the following non-operational entities, which have not entered any form of supply contracts, employed any staff and otherwise remained dormant for the reporting period:
 - 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

Our Structure, Our Business and Our Supply Chain

Our Business

9. OACL provides the following services, which remain unchanged from prior reporting periods:
 - Operating and finance 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; and
 - Specialised finance and asset finance.
10. OACL primarily leases, hires and manages vehicles including passenger and light commercial vehicles, heavy commercial vehicles, equipment and machinery.

Our Structure, Our Business and Our Supply Chain

Our Supply Chain

- 11.** OACL had approximately 6,000 direct suppliers during the reporting period. Our Third Statement included the figure of approximately 2,000 direct suppliers. However, this apparent increase is because of a change in methodology, rather than a shift in the composition or characteristics of our supply chain. Previously we applied a materiality threshold to our assessment, only including suppliers that had an annual spend of over \$10,000. In this Statement, we have shifted towards a more transparent description that includes all suppliers, including non-active or "one-off" small spend suppliers. The number of active suppliers with whom we had an active engagement or material spend remained approximately 2,000 in FY23.
- 12.** All our suppliers continued to be located either in Australia or New Zealand. These suppliers are a mix of large reporting entities, Australian-based subsidiaries of global conglomerates and smaller non-reporting entities.
- 13.** These suppliers provide us with a variety of services and products, including the following:
- Motor vehicles;
 - Motor vehicle repairs and maintenance services;
 - Motor vehicle replacement parts;
 - Petrol and diesel products;
 - Business and market research services;
 - Computer and technical services;
 - General industrial machinery;
 - Banking services;
 - Insurance services;
 - Accounting services;
 - Employment hire services;
 - Real estate services;
 - Legal services;
 - Telecommunication services;
 - Equipment hire;
 - Facilities Management Services; and
 - Wholesale trade.

Part Two:

Our Operational and Supply Chain Risk

Our Operational and Supply Chain Risk

- 14.** We are not aware of any actual or suspected instances of modern slavery during the reporting period, either within our operations or our supply chains.
- 15.** OACL continues to work with external legal and ESG consultants to ensure the identification of potential areas of elevated modern slavery risks in our operations and supply chains remains up-to-date and comprehensive. Our overall modern slavery risk profile remains relatively low, due to the core characteristics of the financial and vehicle leasing industry and our location in Australia and New Zealand.
- 16.** **Table 1** below explains the way in which the UN Guiding Principles on Business and Human Rights categorise the different degrees to which a company may be implicated in human rights abuses. This Statement uses this framework to assess OACL's involvement in any risk of modern slavery.

Table 1. Description of the UN Guiding Principles Continuum of Involvement

Type of Involvement	Description ¹	Example
Cause	A company may cause instances of modern slavery if, by its actions or omissions, the company is directly engaged in modern slavery practices.	A company may directly use forced labour in its operations.
Contribute	A company may contribute to instances of modern slavery if its actions or omissions incentivise or facilitate modern slavery practices.	A company may, through its contract negotiations, influence a supplier to use exploited labour to meet unrealistic costs targets and timeframes.
Directly Linked	A company may be directly linked to modern slavery practices if its operations, products, or services are connected to modern slavery through the activities of another entity it has a business relationship with (e.g a supplier, or suppliers that the company does not have a contractual relationship with).	A company may procure goods that are manufactured and assembled by the supplier's supplier offshore in factories using deceptive recruitment and debt bondage.

¹See further the Official Modern Slavery Act Guidance Material, available at: <https://modernslaveryregister.gov.au/resources/>

Our Operational and Supply Chain Risk

Risks in our Supply Chain

- 17.** OACL has continued to review and analyse our potential supply chain exposure to modern slavery risks through assessing the industry risks associated with our highest categories of procurement spend. This analysis has drawn on resources such as the 2023 Global Slavery Index ("GSI"), US Department of Labor Reports regarding child and forced labour, and human trafficking, and current research from industry bodies and academic groups. We have focused on our categories of highest procurement spend to tailor our ongoing due diligence towards suppliers with whom we have the greatest commercial leverage.
- 18.** Our assessment has identified that the following supplier categories present a higher potential risk of modern slavery risk exposure in our supply chains:
- **Australian-based suppliers of petrol, fuel, and related products; and**
 - **Australian-based fleet suppliers and vehicle dealerships**
- 19.** Generally, the potential risks associated with our **Australian-based suppliers of petrol, fuel** and our **Australian-based fleet suppliers and vehicle dealerships** are occurring beyond their direct operations and even their direct suppliers. Therefore, we are likely to only be directly linked to modern slavery practices through our business relationships with suppliers in these two categories. This indicates that our response to modern slavery should focus on long-term engagement with these suppliers, to ensure that they have appropriate mitigation strategies to address supply chain risks.
- 20.** During this reporting period, we also engaged an external consultant to undertake a specific desktop due diligence assessment of key suppliers operating in the supplier categories identified above at paragraph 18. See below at **Part Three** for further details about this assessment.

Australian based suppliers of petrol, fuel, and related products

- 21.** This category includes our suppliers of the fuel and petrol used in our leased fleets and for our fuel cards. These companies are predominately large Australian organisations or Australian based subsidiaries of multinational corporations. A significant proportion of our major suppliers are reporting entities under the Act.
- 22.** These suppliers have been assessed as higher risk because the sector relies on high-risk business models. This includes the widespread use of contracted or temporary labourers who are often sourced from higher risk geographies via labour hire agents. The geographically isolated nature of extraction and refinery sites may also prevent oversight of working conditions.

Our Operational and Supply Chain Risk

- 23.** Some providers in this category have business operations in the Middle East. The 2023 GSI² spotlighted this region as high-risk because of the Kafala System. The Kafala System provides employers with extensive authority to control the freedom and movement of migrant workers, increasing risks of forced labour.

Australian based fleet suppliers and vehicle dealerships

- 24.** This supplier category includes the companies that we source our vehicles from. These suppliers are integral to our operations and directly facilitate our vehicle leasing services.
- 25.** Our suppliers range from large reporting entities to smaller family-owned companies that have a low level of awareness about modern slavery. **Part Three** details the steps we have taken in the reporting period to engage with these suppliers.
- 26.** The supply chain of the vehicles we source from these suppliers is considered higher risk for modern slavery practices. As we described in our Third Statement, automotive vehicles have a vast and opaque supply chain, requiring numerous high-risk inputs, such as:
- **Aluminium and steel**, which is commonly produced and/or refined in high-risk locations such as China;
 - **Copper, which is** commonly extracted in the 'copper belt' of the Democratic Republic of Congo ('DRC') and is primarily processed in China; and
 - Newer electric vehicles that are powered by batteries and use high risk raw inputs such as **nickel**, which has been recently linked to the use of forced labour in mines located in Indonesia and the Philippines. Electric vehicle batteries are also reliant on **cobalt**, which has been widely linked to child labour in the DRC.
- 27.** This high-risk supply chain is the reason why we have flagged suppliers in this category. Since these risks are concentrated deeper within the supply chain of our providers, OACL has limited commercial leverage to influence potential exploitative business practices.

Risks in our Operations

- 28.** We have assessed that there is a very low risk to our people, and we do not consider OACL to be either causing or contributing to modern slavery risks in our Australian and New Zealand operations. The following description sets out our potential operational exposure to modern slavery risk, focusing on labour force and direct operational suppliers.

²<https://www.walkfree.org/global-slavery-index/findings/spotlights/life-under-the-kafala-system/>

Our Operational and Supply Chain Risk

Labour Force

- 29.** We recognise that no company can assume its operations have no modern slavery risk simply due to being based in Australia and New Zealand. Indeed, the 2023 Global Slavery Index findings demonstrate an increased prevalence of modern slavery in Australia. The vehicle financing and leasing sector is not identified as an 'at risk' sector in the 2023 GSI.
- 30.** The majority of our workforce is comprised of highly skilled employees on salaried and non-seasonal employment contracts, which minimises the practical exposure to risks associated with child labour or other identified vulnerable workforces in our business units.
- 31.** Our recruitment controls mitigate potential risks of deceptive recruitment, bonded, or forced labour in our workforce, including:
- We only engage contracted workers through an approved agency list.
 - If we engage third-party recruitment services, we always cover all recruitment fees for any employee, including contracted staff.
 - Neither our direct nor indirect staff are ever required to pay fees associated with employment at OACL and we do not require staff to surrender original identification documents as part of their employment terms.
 - We use written employment contracts that adhere to local industrial relations standards and regulations.
 - We undertake screening procedures on new employees, including reviewing their working rights and criminal history.
- 32.** OACL also operates whistleblowing facilities to allow our workers to make complaints about modern slavery. To date, we have not received any complaints related either to suspected instances of modern slavery, or worker exploitation in our labour force.

Our Operational and Supply Chain Risk

Operational Suppliers, including commercial cleaners, and facility management services

- 33.** OACL uses suppliers to help manage our commercial premises, such as cleaners and building security and facility management services.
- 34.** These sectors are at a higher potential risk of either causing or contributing to modern slavery practices due to the following risk factors:
- Higher levels of foreign migrant workers, whose visa status is linked to employment arrangements.
 - Use of subcontracting and labour hire firms.
 - Low barriers to entry for vulnerable workers.
 - Low profit margins and under-priced contracts.
- 35.** As detailed further below, we have engaged with our facilities manager, who is directly responsible for engaging with these service providers and confirming that appropriate modern slavery controls are being implemented.

Part Three:

Our Actions to Assess and Address Modern Slavery

Our Actions to Assess and Address Modern Slavery

36. OACL's approach to modern slavery continues to be governed by our Modern Slavery Response Framework, which includes five key action pillars:

- Policies & procedures;
- Safe reporting;
- Staff capabilities through training;
- Improving supply chains and supplier engagement; and
- Recruitment practices (detailed above at Part Two – Risks in our Operations).

37. The substance of the OACL Modern Slavery Response Framework has remained unchanged during this reporting period. We have provided updates on the progress and application of the Modern Slavery Response Framework below.

Policies & Procedures

38. OACL has a comprehensive policy and procedure framework, which we review and adjust as necessary. The following documents set out our anti-slavery requirements for our suppliers, employees and other related third parties:

Policy	Overview
Modern Slavery Policy	Modern Slavery Policy, which details our commitment to addressing modern slavery, the measures we are undertaking to achieve this and the role of our employees in reporting suspicions.
Whistleblower Policy	Whistleblower Policy, which was updated in the reporting period (set out below at <i>Safe Reporting</i>).
Third Party Agents Policy	Third Party Agents Policy, which sets out the obligations on our third parties to complete the annual OACL review processes. This includes assessing compliance with policies such as our modern slavery policy and supplier code of conduct.
Group Code of Conduct	Group Code of Conduct, which contains the commitments of the broader ORIX group to respecting human rights and supporting the UN Global Compact.
Supplier Code of Conduct	Supplier Code of Conduct, which is a key feature of our supplier management systems. This Code outlines OACL's requirements for suppliers not to be engaged in any form of modern slavery and implementing respect for freedom of association and safe working conditions for employees.

Our Actions to Assess and Address Modern Slavery

Policy	Overview
ESG Reporting	ESG Reporting, OACL has continued to work on our broader ESG strategy and framework during the reporting period, but our approach remains in the early stages of development. We have continued to integrate modern slavery considerations into this strategy where appropriate.

Safe reporting

39. In the past year, we have updated our Whistleblower Policy to ensure that stakeholders are better able to report complaints or concerns about modern slavery in our operations and supply chains. This is the primary mechanism for complaints and grievances.
40. The policy now sets out more explicitly that parties to the policy (including employees and suppliers) can make complaints about modern slavery through designated whistleblower facilities, including an anonymous external hotline. This updated policy has been approved and operationalised during the reporting period.

Our Actions to Assess and Address Modern Slavery

Staff Capability Through Training

- 41.** Another key element of OACL's overall approach to addressing modern slavery is organisation-wide training programs to bolster awareness of modern slavery and equip staff to implement the OACL Modern Slavery Response Framework.
- 42.** During the reporting period, we updated our training module to include the following new content:
- An overview of key measures described in our Third Statement, including further updates on the policy framework not detailed in prior training, such as our ESG reporting.
 - A detailed description of our risk profile, as described in our Third Statement, highlighting for staff that our highest risk suppliers included motor vehicle dealerships, electrical equipment suppliers and petrol and diesel suppliers.
 - Information about how OACL engages with suppliers, including the key functions for procurement-related roles in onboarding suppliers, communicating standards to suppliers, and using modern slavery clauses.
 - Assessment modules to test staff on topics such as indicators of forced labour, the key pillars of the OACL Modern Slavery Response Framework and proper reporting and grievance protocols.
- 43.** 96% of our staff across Australia and New Zealand have successfully completed the training during the reporting period. This includes staff across key practice areas that are involved with addressing modern slavery, such as teams managing and onboarding suppliers, executive team members and legal and compliance teams. After a process of review of our updated internal modern slavery modules, we determined that additional targeted training was not presently required for specific teams within our organisation. The use of additional targeted training for key teams (over and above our implemented training module) remains under consideration.
- 44.** Similarly, we sought specific feedback from our staff about the useability and content of the training module. This occurred as part of an overall program review, including to determine whether it is achieving its goal of improving staff capabilities. Approximately 88% of surveyed staff responded positively to the training program.

Our Actions to Assess and Address Modern Slavery

Improving Supply Chains & Supplier Engagement

45. A major pillar of our Modern Slavery Response Framework is engaging with suppliers to understand and address potential supply chain risk exposure. During the reporting period, we have undertaken the following actions:

- Due diligence desktop assessment of suppliers;
- Supplier screening, onboarding, and management process;
- Engagement with our facility management supplier; and
- Engaging with our vehicle dealership and repair suppliers.

Due Diligence Desktop Assessment of Suppliers

46. During the reporting period, OACL engaged an external subject matter expert to undertake a desktop due diligence assessment of some of our suppliers operating in the higher risk sectors identified above at Part Two (Petrol and fuel suppliers and automotive dealers).³ The assessment evaluated the modern slavery risk profile of each supplier and assessed the adequacy of their efforts to mitigate this risk.

47. The following is a brief summary of the key findings from the desktop audit process:

- Our major petrol supplier has operations in higher-risk Southeast Asian geographies. Based on the disclosure provided, this entity was assessed as having an appropriately tailored mitigation framework that identifies relevant supply chain risks, features mature governance frameworks, supplier due diligence processes, specific engagement with suppliers, and worker-accessible grievance mechanisms. The entity also describes having undertaken specific actions to address the risks associated with its shipping and cargo suppliers, including the increased vulnerability due to COVID-19 restraints - for example, reviewing worker repatriation plans.

³Note. These assessments were finalised after the conclusion of the reporting period, but prior to lodgement of this Statement.

Our Actions to Assess and Address Modern Slavery

- The two suppliers operating in the automotive industry are multinational corporations that have Australian-based subsidiaries, and are reporting entities under the Act. Both Australian-based entities have primarily adopted, to differing extents, on policy and governance frameworks and auditing activities of the offshore parent company. These entities both appropriately identified the types of risks associated their supply chains. The companies also have due diligence mechanisms in place for their Australian contexts, which are largely dependent on self-assessment survey responses from suppliers.
 - Specific automotive supply chain inputs are high-risk. There is potential exposure to modern slavery practices at various stages of the supply chain, from extraction of minerals through to final assembly. This assessment also identified the linkages between certain inputs in the automotive supply chain and high-risk regions in China.
 - The assessment did not identify any specific instances of modern slavery within the operations of the selected suppliers.
- 48.** We determined that no further specific supplier engagement was currently warranted, in response to the findings. OACL will continue to monitor any new information that comes to our attention about these suppliers, and if required, will take appropriate steps to mitigate risks.

Our Actions to Assess and Address Modern Slavery

Supplier Screening, Onboarding and Management

49. Over the past year, OACL has continued to use our supplier screening, onboarding, and management framework. This process is a key feature of our approach to engaging with suppliers.

50. **Table 2** shows an overview of the framework, including an update on its year-on-year progress.

Table 2: Supplier Screening, Onboarding and Management Framework Update

Action Area	Description	Progress Update for this Reporting Period
Controlled Selection process (A)	<p>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.</p> <p>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.</p>	<p>We engaged 243 new suppliers, including:</p> <ul style="list-style-type: none"> • 180 Repair and maintenance supply agreements; • 50 vehicle dealer supply agreements; and • 13 introducer agreements. <p>As part of the onboarding process, we required these suppliers to become familiar with and agree to comply with our Supplier Code of Conduct which is available via the OACL supplier portal.</p>

Our Actions to Assess and Address Modern Slavery

Action Area	Description	Progress Update for this Reporting Period
Risk-based Supplier Probity Procedure (B)	The selection process involves supplier probity and due diligence assessment, involving verification of the company's key attributes, and online / desktop and in-person checks. The supplier probity process is adjusted depending on risk factors, with higher-risk suppliers subject to a more detailed review.	<p>OACL expanded the use of this procedure during the reporting period.</p> <p>Our Australian offices performed supplier probity checks on 928 suppliers and our New Zealand office performed 207 probity checks.</p>
Initial and Ongoing Evidentiary Requirements for Suppliers (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.	OACL received evidence from 60 suppliers during the reporting period to confirm their compliance with the Supplier Code of Conduct.
Annual Supplier risk review (E)	Our team of subject matter experts continually (and, at a 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, including modern slavery risks.	<p>Our inhouse subject experts have continued to perform risk assessments on new and existing suppliers.</p> <p>OACL performed an initial assessment on 25 new suppliers, including dealers, brokers, and distributors. OACL team members also completed onsite visits to approximately 80% of these new suppliers.</p> <p>Our previously stated objective of performing a total of 60 annual compliance assessments on existing suppliers was met.</p>

Our Actions to Assess and Address Modern Slavery

Action Area	Description	Progress Update for this Reporting Period
Annual Supplier risk review (E)		<p>The assessment evaluates data gathered from the supplier self-assessment compliance checklist, including specific questions relating to addressing modern slavery.</p> <p>The risk review process revealed:</p> <ul style="list-style-type: none"> • 35% of the assessed suppliers are reporting entities under the Act. There was a strong correlation between reporting entities and suppliers with a mature modern slavery response. • Over half of our suppliers have their own supplier code of conduct or ethical procurement type policy procedure in operation. • While most of our suppliers are not reporting entities, just over a third of the companies have procedures in place to ensure compliance with labour conditions and human rights in their operations. • Only one third of suppliers have processes in place to verify that their own suppliers and contractors have labour and human rights compliance programs in place. • Only 8% of our suppliers are working with third parties to identify risk exposure in supply chains. This suggests that our supplier base may not have a mature understanding of their potential supply chain risk exposure.

Our Actions to Assess and Address Modern Slavery

Action Area	Description	Progress Update for this Reporting Period
Annual Supplier risk review (E)		<ul style="list-style-type: none"> Just under 15% of suppliers reported to have modern slavery training for employees.
Audit performed without notice (F)	<p>The majority of our suppliers are subject to audits during business hours without notice, and audits outside of business hours with reasonable notice. If required, an audit is to be undertaken by subject matter experts and must evaluate both performance factors and non-performance factors.</p>	<p>OACL continued to conduct regular safety and compliance audits and reviews of our suppliers. We completed 24 formal audits of suppliers and additional informal periodic onsite reviews of existing suppliers.</p> <p>This audit function was initially designed to review suppliers against factors such as commercial performance, safety records and broader social issues such as workplace diversity. However, we have worked to educate our staff to also identify and monitor modern slavery related red flags during site visits and audits.</p> <p>During the reporting period, team members identified that several vehicle workshops and body builder suppliers have workforces predominately comprised of migrant workers employed on working visas. The presence of migrant workers in a supplier's operations is not an indication that they are in any way engaging in modern slavery practices. We recognise the potential vulnerabilities associated with migrant workers, particularly those working in lower skilled industries.</p>

Our Actions to Assess and Address Modern Slavery

Action Area	Description	Progress Update for this Reporting Period
Audit performed without notice (F)		<p>At the date of lodgement of this Statement, the recruitment practices of these suppliers are under review. This includes confirming whether any workers have been sourced from overseas labour hire agencies.</p> <p>In future reporting periods, OACL will review the existing scope of our audit and review processes, focusing on integrating modern slavery related considerations.</p>
Disciplinary Process (G)	<p>If any exceptions in the requirements in (A) to (F) above are flagged, directly engagement with the supplier is to occur to resolve or remediate the issues noted. Termination is considered a remedy of last resort – it is only to be used if the supplier is unwilling or unable to improve its practices.</p>	<p>No suppliers were identified during the reporting period as requiring further engagement to address or remediate under a disciplinary process pathway.</p>

- 51.** During the reporting period, OACL has begun collaborating with other APAC based entities in the global ORIX group. The purpose of this peer review process is to better understand other methods of managing supplier management practices and processes.
- 52.** We see this review process as an opportunity to take stock of the current modern slavery component of our supplier management processes and assess whether there is room for improvement. OACL will report on any modern slavery focused changes that are implemented in response to this group wide review process.

Operational Due Diligence - Engagement with our commercial property and facilities management provider

- 53.** OACL has engaged with our major provider of facilities management services, who is responsible for managing outsourced cleaning, maintenance and building security services at our commercial premises. In our Third Statement we committed to monitoring risks associated with these types of services, so in the past year, we have undertaken specific due diligence to confirm that the provider had appropriate measures to address potential modern slavery risk exposure.

Our Actions to Assess and Address Modern Slavery

- 54.** As part of the contract renewal with the facility management provider, we have been provided with evidence about its processes to manage and review its contracted services, to ensure that individual contractors are compliant with workplace health and safety and modern slavery legislation prior to attending OACL sites.
- 55.** We have also reviewed the most recent Modern Slavery Statement released by the facility management provider. Positive attributes that we identified include the availability of grievance mechanisms for staff, and integration of modern slavery components into annual compliance and audit functions. Our new contract includes modern slavery clauses that require the property and facility manager to comply with modern slavery legislation, to have appropriate due diligence procedures for its suppliers, and to immediately notify OACL of any instances of modern slavery its operations and supply chain.
- 56.** We also obtained details of the cleaning provider used at the managed commercial premises and evaluated the nature and extent of implemented mitigation controls to address inherent modern slavery risks in this industry category. The contracted cleaning service provider is a reporting entity under the Act. Our review of the cleaning provider's modern slavery Statement confirmed it has obtained pre-qualification status with the Cleaning Accountability Framework ('CAF'), which is a leading multistakeholder organisation established to address labour exploitation in the cleaning industry, through establishing responsible standards for cleaning procurement, management, and service delivery.⁴
- 57.** By obtaining CAF pre-qualification status, this cleaning provider has demonstrated compliance with the body's best practice requirements for labour practice standards. The cleaning provider also has an externally managed anonymous grievance mechanism that is open for all staff, including contracted staff. We are therefore satisfied that the contracted cleaning provider is appropriately addressing the risks inherent to the cleaning sector.

Engaging with our Vehicle Dealership and Repair Suppliers - Communicating Standards, Raising Awareness & Contract Compliance

- 58.** An ongoing element of OACL's modern slavery response is engaging with our vehicle dealership and repair suppliers. This is because we recognise their potentially heightened exposure to modern slavery in their supply chain. Our engagement has included issuing training material, implementing modern slavery clauses in contracts and communicating about our Supplier Code of Conduct.

⁴<https://www.cleaningaccountability.org.au/about-us/>

Our Actions to Assess and Address Modern Slavery

- 59.** Our dealer relations team issued 94 training packs to vehicle dealership and fleet management/repair suppliers during the reporting period, which is an increase from FY22. We primarily targeted suppliers that are not reporting entities and have minimal awareness about modern slavery.
- 60.** OACL has also continued to integrate modern slavery clauses into any renewed contracts with these suppliers. During the reporting period we entered 50 new agreements with modern slavery clauses.
- 61.** We continue to communicate our anti-slavery expectations to suppliers, particularly our dealership and vehicle repair suppliers. Our suppliers are expected to fully adhere to the anti-slavery principles in our Supplier Code of Conduct. Such communication of our expectations now occurs as part of our standard business practice, including during contract negotiations and supplier onboarding processes.

Part Four:

Measuring effectiveness, Consultation with Controlled entities & Other relevant information

Measuring effectiveness, Consultation with Controlled entities & Other relevant information

62. OACL recognises that regularly reviewing our approach to addressing modern slavery is important for maximising impact and ensuring that OACL’s Modern Slavery Response Framework is fit-for-purpose and of long-term benefit.

63. As outlined in our Third Statement, effectiveness for OACL looks like:

- Expanding our assessment of our suppliers and their approach to managing modern slavery risk. This is primarily achieved through reviewing supplier compliance self-assessment responses.
- Ongoing engagement with our external subject matter experts, to ensure we are seeking external input into our overall approach.
- Incorporating learnings from the reporting period into our Modern Slavery Response Framework. For instance, as reported above, OACL is now reviewing our approach to supplier onsite auditing in response to identifications by our team members.

64. Another component of OACL’s approach to measuring our effectiveness is ensuring that the organisation remains aligned to commitments made in prior Statements. To facilitate transparent reporting, we have set out below at **Table 5** an overview of our progress over the reporting period. This table also demonstrates where our approach has moved from commitments to concrete actions and areas where OACL has room for future improvement.

Table 5. Measuring Effectiveness Update

FY22 Statement	Status Update
Operation of internal audit team to evaluate our overall modern slavery response over reporting period.	Ongoing. Internal oversight has been undertaken by senior leadership team. This team reviewed our modern slavery response and engaged with suppliers in the vehicle industry. No formal internal audit process has been undertaken yet.

Measuring effectiveness, Consultation with Controlled entities & Other relevant information

FY22 Statement	Status Update
Consult with suppliers on current supplier management process.	Ongoing. OACL has continued to engage with our suppliers, particularly through our onboarding process and at onsite reviews/audits. We have used these engagements as an opportunity to discuss enhancing how OACL works with suppliers and third parties, including to address modern slavery.
Continued education for staff	Completed. Updated annual training program has been delivered, with 96% staff completion rate.
Continued awareness raising for suppliers.	Completed. Training material has been issued to increased number of suppliers. We engaged with new and existing suppliers at various stages of procurement cycle, from onboarding, through to supplier compliance assessments.
Pursuing a review of Whistleblower Policy and implementing targeted modern slavery initiatives.	Completed. Updated Whistleblower policy has been approved and rolled out. New initiatives included engaging external experts for due diligence assessment of key suppliers and undertaking specific due diligence on facilities management provider.

Measuring effectiveness, Consultation with Controlled entities & Other relevant information

FY22 Statement	Status Update
<p>Reviewing further integration of risk assessment outcomes into the Framework and supplier due diligence processes.</p>	<p>In progress, review of approach earmarked for next reporting period. Learnings and insights from prior risk assessments have informed the selection of suppliers for our desktop due diligence assessment during the FY23 reporting period.</p> <p>Further reviews will be undertaken in future reporting periods, with a focus on using risks assessments to improve our onsite auditing capability.</p>
<p>Continuing the roll out of express modern slavery provisions in major supply contracts, including for our major outsourced commercial property real estate and facilities manager.</p>	<p>Completed and ongoing for all future reporting periods.</p>
<p>Communicating modern slavery standards to suppliers, including our Supplier Code of Conduct requirements.</p>	<p>Completed and ongoing for all future reporting periods.</p>
<p>Increasing the requirement for our key suppliers to complete compliance checklists.</p>	<p>Completed and ongoing for all future reporting periods. 68 suppliers completed annual compliance checklist and 25 new suppliers subject to review process.</p>
<p>Deliver targeted training to key departments responsible for the onboarding and management of suppliers, executive team members and the legal and compliance functions.</p>	<p>In progress, review of approach earmarked for next reporting period. Staff across these divisions completed updated annual modern slavery training across the organisation in FY23. In the next reporting period we will review the need to instead provide additional capability building for teams responsible for onsite auditing.</p>

Measuring effectiveness, Consultation with Controlled entities & Other relevant information

FY22 Statement	Status Update
Monitoring risks associated with operations and cleaning / building services suppliers.	Completed. Specific engagement with facility management provider and review of tier 2 cleaning provider.
Targeted due diligence with vehicle related suppliers.	Completed and ongoing in future reporting periods. Training materials issued to suppliers, and select suppliers subject to annual compliance assessment, including review of their modern slavery risk mitigation measures.

Consultation with Controlled Entity

- 65.** OACL has continued to consult and actively engage with our New Zealand subsidiary (ONZ) in relation to our overall modern slavery response, including in the preparation of this Statement. This is to ensure operational and supply chain risks across the group are being addressed.
- 66.** This consultation has included communication about the operation of our Modern Slavery Response Framework, which includes ONZ. Our New Zealand workforce completes all annual modern slavery training, and all modern slavery related policies are applicable to our New Zealand operations.



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