**ORIX INTEGRATED REPORT 2025** 

36

# **Sustainability Promotion and Governance Structure**

ORIX has diverse businesses, and each business has a wide range of sustainability issues that either affect society or are affected by society. For this reason, we divide our approach to sustainability issues into two categories: the corporate (Group-wide) level and the business unit level. The Sustainability Committee discusses and reports on the status of recent initiatives, and regularly reports to the Board of Directors, which approves these matters.

#### **Status of Initiatives**

#### 1 Group-wide themes

- 1) Performance for the fiscal year ended March 2025
- (1) Strengthening supply chain management system: Initiatives implemented in ORIX Auto, ORIX Rentec, and the Real Estate segment, along with the resulting improvements in third-party evaluations.
- (2) Preparing to comply with disclosure regulations: Accelerating GHG emissions calculation processes incorporating them into disclosure control processes.
- 2) Focus themes for the fiscal year ending March 2026
- (1) Updating ESG-related key goals and material issues: Progress toward 2030 goals remains steady. We will update goals and issues in light of ORIX's long-term vision and the forthcoming SSBJ standards
- (2) Reducing Scope 2 emissions: We have formulated reduction plans for each major emission site and will implement reductions in phases.
- (3) Maintaining and improving ESG ratings: Based on peer comparisons, we will continue working to maintain and improve five ESG ratings.
- → Pages 37–39 Status of Initiatives to Address ESG-related Material Issues and Key Goals
   → Page 44 Supply Chain Management
   Ratings and Scores by ESG Rating Agencies

#### 2 Business unit level approach and KPIs

Major initiatives for the fiscal year ended March 2025

- In the leasing business, increased the proportion of next-generation vehicles.\*1 Advanced the use of green electricity for our own operations, and formulated a Supplier Code of Conduct. (Auto)
- Conducted a second round of supplier questionnaire surveys.
   Developed CSR Procurement Guidelines and an explanatory handbook, and communicated them to key suppliers. (Rentec)
- Accelerated the renewal of energy-saving equipment at owned properties, expanded the use of renewable electricity. Continued to promote food waste recycling. (Real Estate)
- Conducted quantitative verification toward the conversion of coal-biomass co-fired power plants to biomass-only operations. (Environment and Energy)
- Executed sustainable finance. (Banking)
- Placed newbuilding orders for next-generation fuel vessels.\*2 (Ship Business)
- \*1 Hybrid vehicles (HV), plug-in hybrid vehicles (PHV), electric vehicles (EV), and fuel cell vehicles (FCV).
  \*2 Dual-fuel vessels powered by methanol and heavy oil

## Approach of Each Business Unit from the Fiscal Year Ending March 2026 Onward

→ Pages 66–79 "Approach to Sustainability" section for each business unit

Examples of Sustainability Initiatives in Each Business Unit

### **Sustainability Governance Structure**

Sustainability Governance Structure



The Board of Directors supervises and guides the promotion of sustainability.

The Sustainability Committee implements ESG-related material issues and key goals Group-wide. It formulates strategic approaches, KPIs, and action protocols, and the results of its deliberations will then be reported to and approved by the Board of Directors.

Members: Group CEO (chair), Group COO, Deputy President Executive Officer, Executive Officer Responsible for Corporate Function Unit, and other Executive Officers designated by the Group CEO.

Also attended by other participants depending on the agenda.

#### Role of the Sustainability Committee

- 1. Discussion of specific measures to achieve goals
- 2. Discussion of any conflicts arising between short-term earnings and long-term growth
- 3. Discussion of measures to reduce climate change risk following the Task Force on Climate-related Financial Disclosures (TCFD) framework
- 4. Sharing of information on Japanese and international developments in corporate sustainability
- 5. Discussion of matters to report to the Board of Directors

Approach to Sustainability Issues