

Sustainability at ORIX

Since its inception, ORIX has offered new value to society through its business activities with a fundamental commitment to social contribution. Profits are important to us as a company, but they are not our only objective. We believe that providing new value to and being an integral part of society will result in the profits that enable sustainable growth.

ORIX will continue to achieve sustainable growth and fulfill its social responsibilities by contributing to society through its business activities. In September 2019, we adopted our ORIX Corporate Sustainability Policy to clarify our intention to promote sustainability.

Purpose of the Sustainability Policy

The success of ORIX's business and the value we create for society are rooted in our ability to identify changes in society and transform them into opportunities through collaboration with our stakeholders.

In a world in which the changes we seek out for opportunities—and the scrutiny we face from society—will increasingly come from matters related to corporate sustainability, including environmental, social, and governance (“ESG”) issues, integrating sustainability into our operations will play a key part in whether we can continue to create new value and maintain the trust and respect of our stakeholders.

This policy sets out the principles by which we integrate sustainability across ORIX so that we can continue to benefit society through our business, both now and in the long-term.

Since our business is diverse, different parts of it could have an impact on, or be impacted by, entirely different sets of sustainability issues. As such, the principles set out in this policy are designed so that they can be applied to all areas of the company. Besides these core principles, ORIX is committed to continuously analyzing and identifying the specific sustainability issues relevant to our different business areas and to incorporate these into the management of our business. We also describe our current priority sustainability issues in this policy.

Scope of the Sustainability Policy

This policy applies to all ORIX employees and covers all of ORIX's business activities and operations globally. Since ORIX is made up of many diverse businesses with different business models, it is the responsibility of each business unit to implement the policy in a way that accounts for the risks and opportunities particular to their service line.

Core Principles of Our Sustainability

Considering sustainability issues is a prerequisite if we are to continue to grow in the long-term and to create new value by responding to the needs of society. As such, we look to integrate sustainability into all areas of our decision-making.

The strength of our company rests in the diversity of our businesses and the synergies we can achieve among them. It is therefore imperative that we understand how sustainability issues impact each of our businesses individually, and how these impacts filter back to ORIX as a whole. To this end, we commit to doing the following on an ongoing basis.

Understand our sustainability priority issues:

Identify and understand priority sustainability issues.

Identify and pursue sustainability opportunities:

Seek out new business opportunities in sustainability issues, including where collaboration across business lines could contribute to solving societal problems.

Identify and manage sustainability-related risks:

Introduce analysis of sustainability issues in risk management, both at the Group level and for individual businesses.

Engage with our stakeholders:

Engage with all stakeholders, maintain transparency in our operations, and adequately consider stakeholder feedback in our activities; encourage business partners and suppliers to support this policy.

Develop employee awareness:

Develop employees' awareness of this policy, and, when necessary, provide guidance on how to implement it; develop employee awareness and knowledge of priority sustainability issues.

Furthermore, the concepts of pride in our company, stakeholder trust, and respect from society are key drivers of ORIX, as outlined in our Corporate Vision, EC21. To maintain our license to operate and grow our business along these lines, we recognize that we must do the following in our daily work.

Care for the natural environment:

As detailed in our Environmental Policy, we measure and minimize our environmental impacts and look to provide solutions to society's environmental issues through our business. ORIX takes a precautionary approach, as set out in the Rio Declaration, to environmental challenges, meaning we act proactively to manage environmental risks and do not use lack of full scientific evidence as a reason to postpone reasonable actions to prevent environmental damage.

Respect human and labor rights:

We uphold human and labor rights as defined in international standards such as the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. This includes, but is not limited to, the rights to freedom of association and collective bargaining and the elimination of all forms of compulsory and child labor.

Promote diversity, and care for the well-being of our employees:

We respect the diversity of our employees and provide opportunities and environments maximizing their professional development. Furthermore, ORIX is committed to respecting the culture, customs and environment of countries and regions where we operate, and positively contribute to those economies and societies. We are also committed to creating safe and secure workplaces where our employees can thrive and where no forms of discrimination are tolerated.

Uphold the highest business ethics:








At all times we conduct our business in accordance with all laws and promote fair competition. This includes rejecting all forms of corruption and bribery, not engaging in unethical transactions, associating with anti-social forces, or engaging in activities that could lead to conflicts of interest.

Priority Issues

ORIX has a diversified business model, meaning different parts of our business impact, and are impacted by, different sustainability issues. For our efforts and contributions to society to be as effective as possible, it is important that we focus on the areas where we have the most impact.

At present, we have identified the following material issues for us to address as priority issues in our sustainability efforts. We have also linked these key topics to the United Nations Sustainable Development Goals (SDGs) to show how we contribute to sustainability in a global context. We are committed to continuously re-assessing and refining our analysis. This means that our list of priority issues may change as our business grows and expands into new areas.

<div data-bbox="261 916 365 1021" data-label="Image"> </div> <div data-bbox="220 1025 405 1061" data-label="Section-Header"> <h3>Automobiles</h3> </div> <div data-bbox="106 1079 518 1346" data-label="Image"> </div>	<div data-bbox="564 855 1133 891" data-label="Section-Header"> <h4>Promoting environmentally friendly driving</h4> </div> <div data-bbox="564 893 1134 1131" data-label="Text"> <p>Road traffic represents a significant share of global greenhouse gases and other emissions. By supporting our customers in choosing fuel-efficient vehicles and promoting fuel-efficient driving, we can help our customers reach their own environmental ambitions and thereby contribute to the transition to a low-carbon society.</p> </div>	<div data-bbox="1182 936 1299 1050" data-label="Image"> </div> <div data-bbox="1326 936 1449 1050" data-label="Image"> </div>
<div data-bbox="261 1576 365 1682" data-label="Image"> </div> <div data-bbox="231 1686 394 1722" data-label="Section-Header"> <h3>Real Estate</h3> </div> <div data-bbox="106 1740 518 2007" data-label="Image"> </div>	<div data-bbox="564 1487 1126 1554" data-label="Section-Header"> <h4>Sustainability considerations in real estate investment and management</h4> </div> <div data-bbox="564 1556 1134 1877" data-label="Text"> <p>Environmental and social factors are becoming increasingly important in real estate investment. Buildings with higher environmental performance and buildings that integrate the tenants' well-being into their design and operation are likely to grow in demand among tenants wishing to improve their own sustainability performance and are also likely to have lower operating costs. These factors in turn affect the market value of such properties, leading to creation of both environmental, social and economic value.</p> <p>Further, buildings consume significant amounts of energy for heating, cooling, lighting and appliances. Water is also consumed through the use of fixtures and appliances. By working towards environmental efficiency of our buildings, we are able to reduce our environmental footprint while at the same time optimizing operational cost efficiency.</p> </div>	<div data-bbox="1182 1240 1299 1355" data-label="Image"> </div> <div data-bbox="1177 1749 1466 1839" data-label="Text"> <p>This issue has the potential to contribute to all SDGs, not just one specific goal.</p> </div>

 <p>Real Estate</p>	<p>Social considerations in real estate management</p> <p>To support the prosperity of individuals and the local communities in which we operate, it is important that we consider social aspects such as accessibility and safety in the management of our real estate portfolio. Not only does this enable us to build strong relationships with our stakeholders but it also strengthens our brand and license to operate.</p>	
 <p>Environment and Energy</p> 	<p>Investment in and operation of renewable energy generation</p> <p>The expansion of renewable energy is happening at an ever-increasing pace as the world transitions away from fossil fuels. By investing in and operating renewable energy sources such as solar and geothermal energy, we are supporting this transition while at the same time securing long-term revenue sources.</p>	 
	<p>Conservation of biodiversity</p> <p>Biodiversity refers to the variety of ecosystems and species in the natural environment.</p> <p>These ecosystems provide humans with functions that support societies and economies*. Human activities such as development activities put pressures on the natural environment. Including biodiversity considerations in the planning and development of new projects is key to identifying any issues at an early stage and taking action to protect sensitive ecosystems necessary for human well-being.</p>	

* Besides providing functions or goods like food, wood and other raw materials, plants, animals, fungi and micro-organisms provide essential regulating functions such as pollination of crops, prevention of soil erosion and water purification, and a vast array of cultural functions, like recreation and a sense of peace.

Our Process for Identifying Our Priority Issues

ORIX has analyzed our business areas to identify which specific environmental, social and governance-related issues are of most importance to us and our stakeholders. This analysis consisted of both looking to external sources such as established sustainability frameworks, ratings agencies and leading best practices in the industries in which we are involved, as well as looking internally to understand which issues are most important to our current and future business performance.

ORIX's approach to determining its material sustainability issues can be described in four steps.

Steps 1 to 3 confirm the sustainability discourse in society at large. We researched the kind of sustainability measures that society demands of businesses and how businesses are responding to these demands. We identified which issues are central and material

in today’s sustainability discourse by determining where the demands of society and corporate responses overlap most strongly.

In Step 4, we took the issues identified as central and material in society at large and examined our specific businesses through the lens of those issues. We analyzed the relevance of each such issue to ORIX’s business activities, including the specific risks and opportunities inherent in each issue, and identified and prioritized ORIX’s specific sustainability issues.

The specific content of each process is as follows.

