Modern Slavery Statement 2025

Rinnai Australia Pty Ltd (**Rinnai**) together with its subsidiaries (the **RA Group**) oppose modern slavery in all forms and is committed to mitigating the risk of modern slavery occurring within its business operations and supply chain. This statement seeks to outline the initiatives taken by the RA Group to meet its commitment in this regard during the financial year ending 31 December 2024 (**Reporting Year**) in compliance with the *Modern Slavery Act 2018 (Cth)*.

Mandatory Criteria (a):

Reporting entity

This statement is provided for the RA Group, consisting of the following entities:

• Rinnai Australia Pty Ltd	ACN 005 138 769
• iZone Pty Ltd	ACN 606 666 942
• SEG Investment Holdings Pty Ltd	ACN 609 305 867
• RA Property No 1 Nominee Pty Ltd atf the Mills Road Property Trust	ACN 605 147 420
• RA Property No 2 Nominee Pty Ltd atf the Malcolm Road Property Trust	ACN 605 190 958
• Rinnai Manufacturing Malaysia Sdn Bhd (incorporated in Malaysia)	201901036498 (1345828-P)

Mandatory Criteria (b):

Our structure, operations and supply chain

Rinnai is a wholly-owned subsidiary of Rinnai Corporation, a listed company based in Nagoya, Japan, with a primary business of manufacturing, importing and distributing hot water, heating, cooling appliances and smart home automation solutions.

Rinnai operates a manufacturing facility in Victoria and is supported by a large national sales and distribution network. Rinnai has proven expertise in specific technologies utilised in heating, cooling and hot water products. Its business expands to research and product development activity on behalf of Rinnai Corporation and other Rinnai entities across the world.

Our products extend across a broad category base, covering hot water, heating and cooling systems for residential and commercial applications, renewable energy systems including heat pump, solar, geothermal and photoelectric appliances for hot water and heating/cooling applications, gas log fires, smart home systems and other home comfort appliances. With its recent acquisition of SEG Investment Holdings Pty Ltd, Rinnai has now expanded its product offering to include solar panels, batteries and EV chargers.

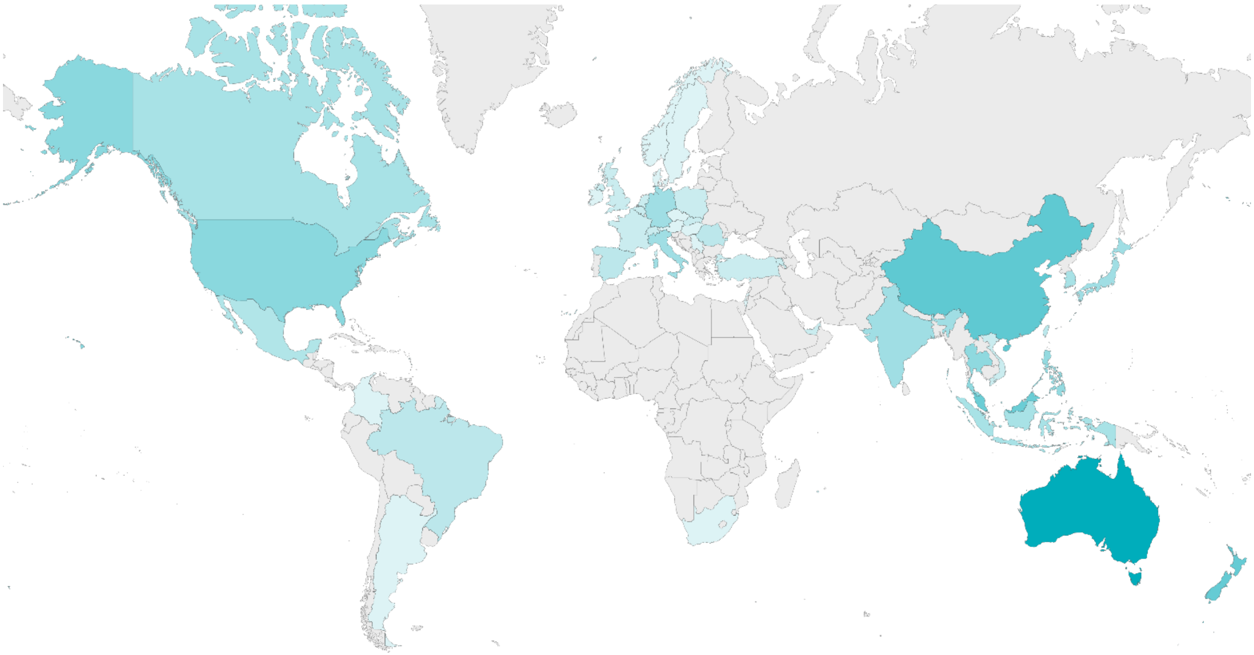
The RA Group employs over 750 staff across Australia, administered by its head-office in Victoria. We are committed to conducting our business with the utmost integrity and ethical values, in accordance with relevant laws across the world.

The below graphic represents the geographical regions of our operations. For the context of modern slavery, this map has been overlaid with the colour tier system of the [Trafficking in Persons Report].

Our supply chain is wide and diverse, with many products, components and parts being sourced from overseas. We engage the services of contractors and subcontractors, including workers through labour hire agencies.

Our suppliers operate in many locations across the world, including:

- Argentina
- Armenia
- Australia
- Austria
- Belgium
- Brazil
- Canada
- China
- Colombia
- Czech Republic
- Denmark
- France
- Germany
- Hong Kong
- India
- Indonesia
- Israel
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Philippines
- Poland
- Republic of Korea (South Korea)
- Romania
- Serbia
- Singapore
- Slovakia
- South Africa
- Spain
- Sweden
- Switzerland
- Taiwan
- Thailand
- Turkey
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Vietnam



Our suppliers operate in many different sectors, including manufacturing, construction, retail and wholesale, transportation and storage, finance and insurance, information and communication, maintenance and repair of motor vehicles, food service activities, professional and scientific services, electricity, gas and A/C supply, water supply, sewerage and waste management, administration and support services.

Mandatory Criteria (c):

The risk of modern slavery practices in the operations and supply chain

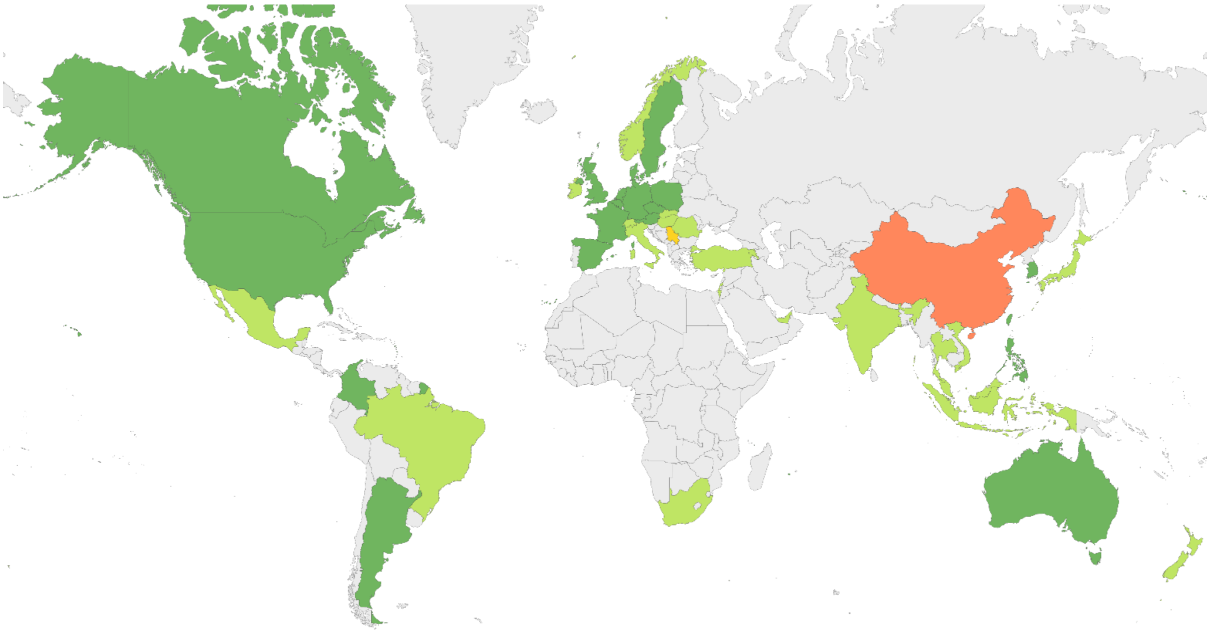
Each year we conduct a risk assessment of our operations and supply chain.

The RA Group's operations primarily fall within the manufacturing and wholesale sectors. The risk of modern slavery in the operations as identified by the most recent risk assessment data is a low-risk constituting an inherent risk score of 85% (moderate-high) and unmitigated risk score of 8.2% (adequate risk control). Last year, the risk assessment score for Rinnai was medium-risk, with an unmitigated risk score of 15.9% (partial risk control). Rinnai has been able to reduce this score by engaging more with its suppliers and encouraging supplier participation in the risk assessment process.

Our suppliers operate, produce, and source across several different sectors. Some of these sectors can be described as high-risk. High-risk sectors are those in which human trafficking activities are known to occur and were identified in the Global Estimates of Modern Slavery and child labour exploitation that were separately identified in Child Labour: Global Estimates 2020 Trends and the Road Forward (ILO and UNICEF, 2021). The risk of modern slavery in the supply chain as identified by the most recent risk assessment is a medium-risk constituting an inherent risk score of 37.4% and unmitigated risk score of 33.2%.

Some countries or regions where our suppliers operate, as well as some goods produced and sourced by our suppliers, can be described as high-risk due to the possibility of a link to modern slavery practices, such as forced labour, child labour and human trafficking.

The geographical regions where our supply chain partners operate are shown in the map below. This map has been overlaid with the colour tier system of the [Trafficking in Persons Report](#).



Mandatory Criteria (d):

The actions taken to assess and address the risk, including due diligence and remediation process

Assess

Rinnai uses a third-party tool, the iPRO Modern Slavery Assessment Tool (MSAT) to assess modern slavery risks in our operations and supply chain. The risks identified in the previous section were all identified utilising this assessment tool. We engaged iPRO during the reporting period to conduct the risk assessment on our operations, and a bulk assessment of 473 of our suppliers. We intend to carry this process forward as an annual assessment of our operations and supply chain.

Participating suppliers were asked to complete a self-assessment questionnaire online. After each supplier completed and submitted the questionnaire, their responses were assessed to determine their modern slavery risk scores and associated risk category.

Each supplier that completed the assessment was assigned one of the following risk categories:

- High-risk (high levels of inherent risk)
- High-risk (inadequate risk control)
- Medium-risk (partial risk control)
- Low-risk (adequate risk control)
- Low-risk (low levels of inherent risk)

To determine the appropriate risk category, responses were first evaluated for risks inherent to a supplier's operations, production, and sourcing. This is referred to as the Inherent Risk Score. The Inherent Risk Score was calculated based on the geographical, type of goods, industry sector, and workforce parameters that the supplier indicated in the MSAT.

Next, the Unmitigated Risk Score was evaluated. This score was calculated based on the policy and procedure responses on the questionnaire. A supplier's Unmitigated Risk Score determined whether they were categorised as having inadequate, partial, or adequate risk control.

Then, the risk scores for each assessed supplier were aggregated and averaged, resulting in an Aggregated Inherent Risk Score and an Aggregated Unmitigated Risk Score for the overall supply chain.

Rinnai also completed a self-assessment using the same process to determine a risk category for our operations.

Address

Suppliers that completed the self-assessment were given action items to complete post-assessment. The action items provided to each supplier were based on their responses to the questionnaire, and if implemented, will reduce the unmitigated risks identified during the assessment. Action items were also aggregated, giving Rinnai a focused view of the most impactful actions that could be taken by suppliers across the supply chain.

We continue to engage with our suppliers through the follow-up initiative to further discuss the action items and encourage those suppliers to address the risks identified through the assessment. Primarily this involves ensuring that suppliers have the right policies and procedures in place to mitigate inherent risks in their business. We specifically focus on whether our suppliers have a modern slavery or ethical sourcing policy and procedures that can address identified or potential risks.

Rinnai was assigned action items to complete following the assessment to address the unmitigated risks identified in our operations. These actions have begun to address the gaps in our operational modern slavery risk management, resulting in a reduction of our unmitigated risk score from 15.9% in the previous reporting year to 8.2% in the current reporting year.

Rinnai

Mandatory Criteria (e):

How we assess the effectiveness of the actions being taken to assess and address the risk of modern slavery practices in the operations and supply chain

We utilise benchmarking and key performance indicators (KPIs) in the iPRO Modern Slavery Assessment Tool (MSAT) to assess the effectiveness of our actions. This is the second year we have used the iPRO MSAT to conduct our assessments and due diligence. Through this process we have been able to objectively measure the effectiveness during each subsequent reporting period.

The main KPIs we are using to benchmark our efforts are the risk scores that are generated as part of the assessment process.

Each organisation that completed the assessment questionnaire was assessed and given 2 risk scores:

- Inherent Risk Score
- Unmitigated Risk Score

The Inherent Risk Score measures modern slavery risks that are intrinsic/built-in to the operations of an organisation. This is determined by asking which countries, regions, sectors, and high-risk goods are part of their operations, production, or supply chain.

The Unmitigated Risk Score measures the organisations risk that is still present after accounting for modern slavery risk controls that have been implemented. This is determined by asking suppliers about the policies, processes, and procedures in place to reduce modern slavery risks.

Rinnai is provided an aggregated risk score of all the assessed suppliers, and we use this aggregated score to measure the risk on an overall supply chain level. We aim to continuously improve on these KPIs.

As we take actions within our organisation, and with our suppliers, we will be able to assess the effectiveness of our modern slavery action plan to reduce the Unmitigated Risk Score by introducing relevant policies and procedures.

We also measure the effectiveness of our engagement with suppliers and will continue to encourage participation in our assessment program to better identify and mitigate modern slavery risks in our supply chain.

2024 KPIs

Below is the score for Rinnai:

Our Operations Risk Scores	
Inherent Risk Score	85.00 / 100
Unmitigated Risk Score	8.24 / 100

Aggregated Supply Chain Risk Scores	
Inherent Risk Score	37.43 / 100
Unmitigated Risk Score	33.23 / 100

Supplier Assessment Completions	
Completions	226/ 473
Completion Rate	47.8%

Mandatory Criteria (f):

The process of consultation with the RA Group

The modern slavery risk assessment included the operations and supply chain of all the entities within the RA Group. This joint statement is prepared in consultation with the key business areas of the RA Group including Procurement, Manufacturing, Legal, Internal Controls and Audit, Finance and Human Resources. The Board of Directors of each of our subsidiaries are aware of this statement and have approved it.

Mandatory Criteria (g):

Any other information we consider relevant

Nil.

Approval and sign-off

This statement is made pursuant to the *Modern Slavery Act 2018 (Cth)*(the **Act**). This statement has been approved by the principal governing body of Rinnai Australia Pty Ltd, which is its Board of Directors, as defined and required by the Act, on 25 June 2025 and is authorised by all of its subsidiaries.

This statement is signed by a responsible member of Rinnai Australia Pty Ltd, as defined by the Act.

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Lucas van Raay
Managing Director
Rinnai Australia Pty Ltd

26 June 2025