



Modern Slavery Statement 2021

Rinnai



Our Commitment

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 2020 (**Reporting Year**).

Reporting entity

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

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|---|--------------------------|
| • Rinnai Australia Pty Ltd | ACN 005 138 769 |
| • Gas Appliance Services Pty Ltd | ACN 070 845 859 |
| • Jordans NSW Pty Ltd | ACN 103 872 313 |
| • Mills Road Property Trust | ACN 134 796 754 |
| • Malcolm Road Property Trust | ACN 291 008 749 |
| • Rinnai Manufacturing Malaysia Sdn Bhd
(incorporated in Malaysia) | 201901036498 (1345828-P) |

The Rinnai way

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 and commercial appliances.

Rinnai has a world-class manufacturing facility in Victoria, supported by a large national sales and distribution network. This business has become a 'centre of excellence' in specific technologies for Rinnai Corporation globally and engages significant R&D and product development activity on behalf of other Rinnai entities across the world.

Our products extend across a broad category base, covering hot water, heating and cooling systems for single rooms, whole house and commercial buildings, renewable energy systems including heat pump, solar, geothermal and photoelectric appliances for renewable energy hot water and heating/cooling applications, gas log fires and other home comfort appliances.

Rinnai has built a number of iconic product brands including Rinnai Infinity, Hotflo, Brivis Wombat, Buffalo, Energysaver, APAC and a variety of solar and commercial brands, which have become household names in Australia and in foreign markets to which Rinnai exports.

Rinnai employs over 500 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. We expect our suppliers to conduct their respective businesses with the same values and principles we uphold.

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. We expect all our suppliers to respect and protect the human rights of their employees and provide humane working conditions.



Modern slavery risk assessment and due diligence

Rinnai has developed a policy against modern slavery (Anti-Slavery Policy), which sets out clear objectives, initiatives and expectations of our employees and suppliers, and the manner in which any identified or suspected risks of modern slavery will be managed.

Rinnai's executive management team and key personnel involved in supplier engagement have received training and further information pertaining to modern slavery and the initiatives that Rinnai will be undertaking to mitigate the risks. All our employees are required to report on breaches or perceived breaches of Rinnai's policy through the procedure set out in the policy.

We have conducted a preliminary risk assessment of our top suppliers by way of a supplier questionnaire outlining any modern slavery in their operations and supply chain. From the information provided to us by our top suppliers, based on the annual spend during the Reporting Year 2020, there are no priority findings associated with actual modern slavery incidents to report. However, we have identified some suppliers, particularly those operating in overseas jurisdictions, where further engagement is required to gain a better understanding of any potential risks of modern slavery.





Accountability

Accountability and effectiveness

At Rinnai, every employee is responsible for respecting human rights. We require our employees to report any concerns directly, or anonymously if preferred, without fear of retaliation and or retribution. In accordance with Rinnai's Whistleblower Policy, employees can report concerns through multiple reporting channels, including line managers, General Managers, Human Resources, and Legal. We investigate all allegations regardless of the source.

Rinnai will take immediate and appropriate action to remediate and address any identified breaches in the Anti-Slavery policy.

Rinnai will carry out the following initiatives to enhance and assess the effectiveness of the Anti-Slavery policy:

- Training on modern slavery to all employees to raise awareness of modern slavery, and in particular further training to targeted employees whose roles are of relevance in relation to identifying modern slavery;
- Further engagement with key suppliers through direct communication to ensure their understanding of, and compliance with our expectations;
- Training on modern slavery to our key suppliers, where required, with a view of encouraging these suppliers to formulate policies and procedures within their own business to mitigate the risk of modern slavery in their operations and supply chain; and
- Incorporating provisions relating to modern slavery and ethical sourcing standards in supplier contracts, with a right to terminate where suppliers are unable or unwilling to work towards the objectives and expectations of Rinnai's policy.



Consultation

The RA Group share the same core business operations and supply chain. This joint statement has been 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.

Covid -19 Pandemic

The Rinnai business continues to operate during the pandemic, with minimal disruption to its facilities and operations in Australia. Some of Rinnai's local and overseas suppliers have faced disruption due to lockdowns and restrictions imposed by national or state governments. Rinnai continues to work within the guidelines and recommendations issued by governmental authorities and manage the economic impact of the pandemic to its own business as well as the business activities of its suppliers. As at the date of preparation of this statement, Rinnai is not aware of any increased risk of modern slavery in its operations or supply chain due to the pandemic.

Next step

We will continue to work through our initiatives to identify, assess and address modern slavery risks within our operations and supply chain. We will conduct periodic review of the measures in place, including monitoring compliance with the Anti-Slavery Policy.

Further engagement with targeted groups of suppliers will be carried out to gain a better understanding of their individual business practices. Where it is deemed necessary, we will provide information and guidance to suppliers who require our support in improving their business practices in order to achieve the objectives and expectations of Rinnai's policy.

We will reflect our progress in these initiatives in subsequent modern slavery statements.

This statement is made pursuant to the Modern Slavery Act 2018 (Cth). This statement has been approved by the Directors of Rinnai Australia Pty Ltd on 21 April 2021 and is authorised by all of its subsidiaries.

Greg Ellis
Managing Director
Rinnai Australia Pty Ltd



May 2021

