

Modern Slavery Statement

RYOWA DEVELOPMENT II PTY. LIMITED
RYOWA DEVELOPMENT PTY. LTD.
RYOWA II GPS PTY. LIMITED

Modern Slavery Statement for the financial year ending 31 March 2023.

1 Introduction

This modern slavery statement is a joint statement for each of:

- (a) Ryowa Development II Pty. Limited ACN 063 780 021 (**Ryowa II**), which is a reporting entity under the *Modern Slavery Act 2018* (Cth) (the **Act**);
- (b) Ryowa Development Pty. Ltd. ACN 011 040 421 (**Ryowa Development**), which is reporting on a voluntary basis under the Act; and
- (c) Ryowa II GPS Pty. Limited ACN 063 780 058 (**Ryowa GPS**), which is reporting on a voluntary basis under the Act,

(together, the **Ryowa Group**). This is the Ryowa Group's modern slavery statement under the Act.

The Ryowa Group is committed to ensuring that modern slavery does not occur within its business, operations or supply chains, and acknowledges that effective management of modern slavery risks is an ongoing process. The Ryowa Group also recognises that modern slavery issues can manifest themselves in many ways and the Ryowa Group is committed to implementing broader efforts to prevent worker exploitation and violation of human rights in its business. The three corporate principles, created by the Ryowa Group's parent company Mitsubishi Corporation, of integrity and fairness, corporate responsibility to society and global understanding through business, underpins the Ryowa Group's business and guides its everyday actions.

The Act requires entities to state the actions they have taken during the financial year to ensure modern slavery is not taking place in their operations and supply chains. This modern slavery statement is prepared in accordance with sections 14 and 16 of the Act and is intended to describe the steps taken by the Ryowa Group during the financial year ended 31 March 2023 to minimise the risk of modern slavery.

Each entity in the Ryowa Group shares the same board members, operates under the same policies and procedures and contracts with many of the same suppliers. For this reason, the Ryowa Group has a single, consolidated approach to minimising the risk of modern slavery.

For the purposes of this statement, references to 'Ryowa Group', 'we', 'us' and 'our' collectively refers to each member of the Ryowa Group covered by this modern slavery statement.

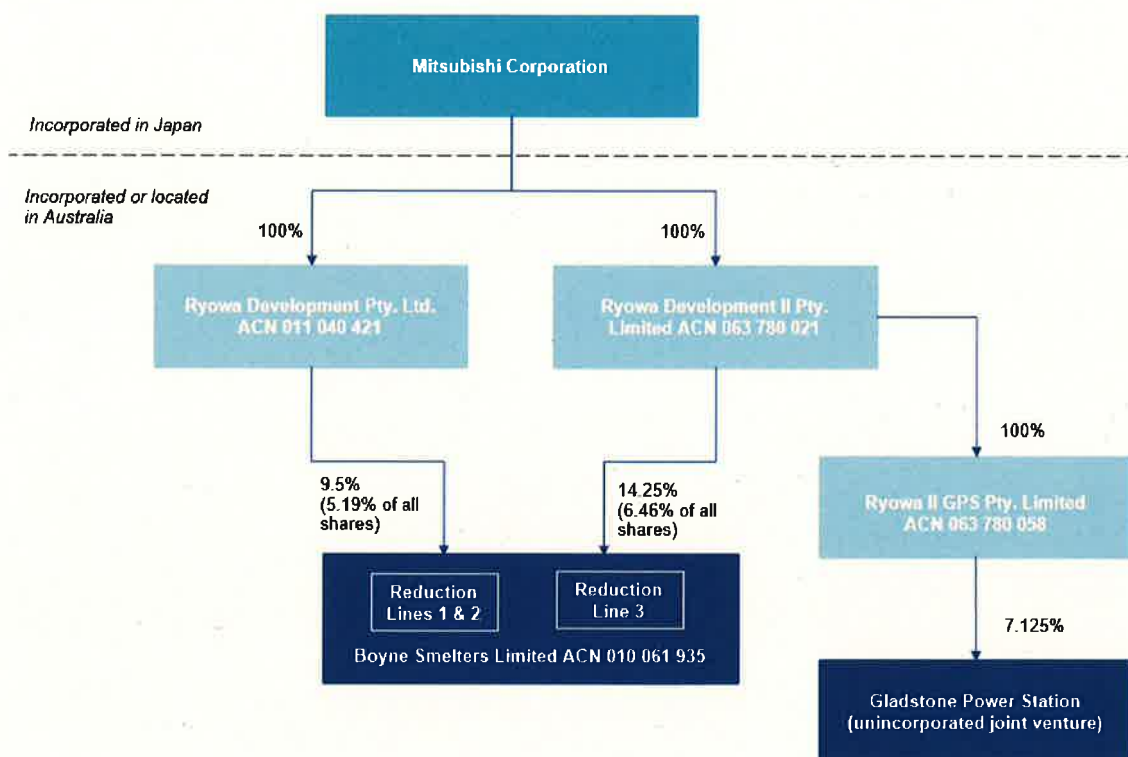
2 The Ryowa Group's structure, operations and supply chains

2.1 Structure

The Ryowa Group comprises wholly owned subsidiaries of Mitsubishi Corporation which are effectively investment vehicles for Mitsubishi Corporation's minority investment in the Gladstone Power Station (GPS) and Boyne Smelters Limited ACN 010 061 935 (BSL) (together, the **Investments**).

Corporate details of the Ryowa Group are set out below, with a diagram immediately below:

- Ryowa II is an Australian proprietary company that was established in 1990;
- Ryowa II controls Ryowa II GPS Pty. Limited, which is also an Australian proprietary company that was established in 1994; and
- Ryowa Development is an Australian proprietary company that was established in 1994.



Each member of the Ryowa Group has a registered office at Level 16, "480 Queen" 480 Queen Street, Brisbane Queensland. The Ryowa Group does not have any employees and relies on the services provided by Mitsubishi Corporation and certain of its Australian subsidiaries to carry out day to day administration of its Investments. The same three directors are appointed to the board of each member of the Ryowa Group (one of which resides in Australia).

Mitsubishi Corporation is a Japanese corporation listed on the Tokyo Stock Exchange (TYO:8058). Mitsubishi Corporation is a global integrated business enterprise that develops and operates businesses across virtually every industry through its twelve business groups – industry digital transformation, next-generation energy business, natural gas, industrial materials, chemicals solution, mineral resources, industrial infrastructure, automotive and mobility, food industry, consumer industry, power solution and urban development. The Ryowa Group is part of Mitsubishi Corporation's Mineral Resources Group.

Mitsubishi Corporation's current activities expand far beyond its traditional trading operations, with offices in over 90 countries and a network of approximately 1,700 group

companies. Mitsubishi Corporation employs a workforce of approximately 80,000 professionals.

Further details about Mitsubishi Corporation's business groups and their activities is available at <https://www.mitsubishicorp.com/jp/en/>.

2.2 Operations

The Ryowa Group's business comprises two main components:

(a) Its minority interest in the Investments:

(1) Ryowa Development's 9.5% interest (Reduction Line 1 and 2) and Ryowa II's 14.25% interest (Reduction Line 3) in BSL.

BSL owns the Boyne Island Aluminium Smelter, which has been operational since 1982 and is Australia's second largest aluminium smelter. The Boyne Island Aluminium Smelter is located at Boyne Island in Central Queensland and its activities include manufacturing carbon anodes, aluminium production (smelting) in reduction lines and casting of molten metal into aluminium products. The smelter is adjacent, and connected via a conveyor belt, to the Queensland Alumina Limited Refinery for the supply of alumina.

BSL is an incorporated joint venture between Ryowa II (which holds 6.46% of all shares¹ and 14.25% in Reduction Line 3), Ryowa Development (which holds 5.19% of all shares and 9.5% in Reduction Line 1 and 2), entities owned by Rio Tinto (59.39% of all shares), YKK Aluminium (9.50% of all shares), UACJ Australia (9.29% of all shares), Southern Cross Aluminium (7.71% of all shares) and Sumitomo Chemical (2.46% of all shares).

BSL is managed by, and under the control of, its majority owner, Rio Tinto. Rio Tinto produces its own modern slavery statement each year, reporting on its activities from 1 January to 31 December, as well as additional detail on particular risks in connection with modern slavery as it relates to the operations and supply chain of BSL. Rio Tinto's modern slavery statement can be accessed on the Australian Government's and the UK Government's Modern Slavery Statements register and on the Rio Tinto website.

(2) Ryowa GPS' 7.125% interest in GPS via an unincorporated joint venture (**GPS JV**).

The GPS was built by the Queensland Government and commenced operations in 1976. GPS is a significant part of the Gladstone community and an important energy provider for Queensland and generating facility in the National Electricity Market. GPS provides approximately 85% of the power needed to operate the Boyne Island Aluminium Smelter.

Since 1994, GPS has been operated by NRG Gladstone Operating Services Pty Ltd (**NRGGOS**) on behalf of unincorporated joint venture participants Ryowa GPS (7.125% interest), entities owned by Rio Tinto Ltd (42.125% interest), entities owned by NRG Energy Inc (37.5% interest), Southern Cross GPS Pty Ltd (8.5% interest) and YKK GPS (Queensland) Pty Ltd (4.75% interest).

Rio Tinto Aluminium Limited is the manager of the GPS JV and has control over certain procurement decisions (e.g. purchase of coal and insurance). Rio Tinto Aluminium Limited is under the control of Rio Tinto. As mentioned above, Rio Tinto produces its own modern slavery statement.

¹ The percentage of 'all shares' held by an entity is the average weighted volume across different classes of shares.

The Ryowa Group understands that NRGGOS, as the operator of GPS, currently does not have specific practices or procedures in place to deal solely with modern slavery risks. However, GPS' Code of Conduct provides that certain core values, such as integrity in business dealings, serve as NRGGOS' foundation for ethical and responsible behaviour towards business partners and the community in which it operates. GPS and its employees are required to conduct all activities in compliance with all Commonwealth, State and local laws and by-laws, and with statutory and regulatory requirements.

- (b) Ancillary corporate activities in connection with the Investments, such as the sale of aluminium tolled on behalf of Ryowa Development and Ryowa II by BSL to other Mitsubishi Corporation group entities, entry into services agreements and intragroup loans.

As the Ryowa Group is not required to report on the supply chains, operations or modern slavery risks in connection with its Investments, as they are not managed by the Ryowa Group and do not fall under its operational control, this modern slavery statement will focus on the ancillary corporate activities of the group. The Ryowa Group relies on the guidance of Rio Tinto and NRGGOS in connection with identifying and addressing modern slavery risks in relation to BSL and GPS, respectively.

2.3 Supply chains

As the Ryowa Group's business predominately comprises the Investments, which are non-operated joint venture interests that are not under the control of the Ryowa Group, the Ryowa Group has a limited number of direct suppliers. Our direct supply chains relate to the procurement of goods and services needed to manage and administer Investments, including:

- (a) Queensland Alumina Limited, a company based in Australia, that supplies alumina to the Ryowa Group;
- (b) BSL, which is paid a fee to convert the alumina to aluminium on behalf of the Ryowa Group;
- (c) two large mining corporations that supply coal to power GPS, as well as NRGGOS (as operator of GPS) and Rio Tinto Aluminium Limited (as manager of the GPS JV) for costs associated with Ryowa GPS' participation in the GPS JV;
- (d) services from Mitsubishi Corporation and certain of its Australian subsidiaries in connection with management of the Ryowa Group's investment in GPS and BSL; and
- (e) accounting services from a global professional service firm.

The majority of the Ryowa Group's direct suppliers, by number and value, are from Australia. All other services are provided by companies based or located in Japan.

As we recognise that risk management is an integral part of good business practice, the Ryowa Group has a well-established practice of contracting with well-known and reputable suppliers.

The modern slavery risks in connection with the Ryowa Group's supply chains are set out below.

3 Modern Slavery Risks in Operations and Supply Chains

As outlined above, the supply chains of the Ryowa Group largely comprise services that are provided in Australia by large corporations for the purposes of administering the Ryowa Group's Investments. While Australia is generally considered to be a low modern slavery and human rights violation risk, modern slavery risks may be present in our supply chains and the supply chains of our suppliers (i.e. secondary suppliers).

The Ryowa Group considers that its principal exposure to potential modern slavery risks is through its operations via the Investments. As the Ryowa Group does not operate or control the Investments, it does not have control or oversight over the identification and management of modern slavery risks in the operations or supply chains of its Investments. However, the Ryowa Group seeks to manage its exposure to modern slavery risks by selecting joint venture partners with strong governance and human rights practices and ensuring they have adequate risk mitigation processes.

Additionally:

- (a) a description of potential modern slavery risks, including those that relate to BSL, is outlined in Rio Tinto's modern slavery statement that is filed each year. Areas of risk identified in the modern slavery statement for the year ending 31 December 2022 include sourcing goods and services from countries that are a higher risk for labour exploitation;
- (b) the Ryowa Group benefits from the joint venture policy of Rio Tinto (which is a joint venture partner for both Investments), which includes expectations for joint venture partners (including in non-managed operations) to uphold human rights. This expectation is shared through Rio Tinto's contractual arrangements and engagement protocols with joint venture partners, as well as governance of the joint venture generally. This policy is fully described in Rio Tinto's modern slavery statement; and
- (c) with respect to:
 - (1) BSL, Ryowa II and Ryowa Development have a veto over certain decisions with respect to incurring expenditure for significant services or procurement of goods; and
 - (2) GPS, Ryowa GPS has a veto over significant capital expenditure proposed to be incurred in certain circumstances.

As a result, while the Ryowa Group does not have control or oversight over the day to day operations of its Investments, it does have control over significant decisions and can exercise its discretion not to provide approval where this is considered appropriate (including where incurring expenditure may not be appropriate given the modern slavery risks involved with the proposed decision).

When making decisions in relation to its investment activities generally, the Ryowa Group has regard to Mitsubishi Corporation's frameworks which guide decisions with respect to modern slavery and human rights issues.

While the Ryowa Group considers that its principal exposure to potential modern slavery risks is through its Investments, a desktop analysis of available information was undertaken by the Ryowa Group to understand whether its direct suppliers are aligned to, or seek to meet, Mitsubishi Corporation's frameworks for investment as well as the ten principles of the United Nations Global Compact. In conducting this analysis, suppliers that received payments of less than A\$10,000 from members of the Ryowa Group for the reporting period ended 31 March 2023 were excluded. While the Ryowa Group did not identify any practices of direct suppliers that were of concern, it recognises that its business activities exist on in a "continuum of conduct" and certain risk areas may be present in the supply chains of its direct suppliers.

For this reason, the Ryowa Group proposes to work to further understand the risks of modern slavery that exist in the supply chains of its suppliers. This will enable the Ryowa Group to mitigate identified risks.

4 The Ryowa Group's actions

4.1 What are the Ryowa Group's actions?

As the Ryowa Group is part of the broader Mitsubishi Corporation Group, it has relied on several of Mitsubishi Corporation's policies to monitor and oversee risk management

(including with respect of modern slavery risks) during the financial year ended 31 March 2023. These policies included:

- (a) Corporate Standards of Conduct, which seeks to enhance compliance initiatives by establishing a standard of conduct and detailing expectations with regard to how business should be conducted. In conjunction with the Corporate Standards of Conduct, compliance-related internal rules and a compliance officer system was introduced to Mitsubishi Corporation's risk management framework;
- (b) Policy for Sustainable Supply Chain Management, which conveys Mitsubishi Corporation's stance on upholding human rights, which all suppliers are expected to understand; and
- (c) Social Charter and Human Rights Policy, which reaffirms Mitsubishi Corporation's stance that human rights are to be fully respected.

All employees of Mitsubishi Corporation, including those that assist with the day-to-day administration of the Ryowa Group's Investments, are required to conduct business in compliance with local laws and regulations, as well as global standards such as the Universal Declaration of Human Rights established by the United Nations. Mitsubishi Corporation requires employees to act in a socially responsible manner and comply with the highest ethical standards by following Mitsubishi Corporation's Code of Conduct.

Additionally, employees of Mitsubishi Corporation that are responsible for the Ryowa Group participated in training on Mitsubishi Corporation's policies and guidelines, including those related to the risks of modern slavery and respecting human rights through its business and supply chains.

Actions in connection with the Investments

The Ryowa Group is committed to assessing the risk of modern slavery in its Investments and, where appropriate, raising concerns. In particular, the Ryowa Group has reviewed Rio Tinto's modern slavery statement for the reporting period ending on 31 December 2022, and has previously reviewed Rio Tinto's prior modern slavery statements.

4.2 How does the Ryowa Group assess the effectiveness of its actions?

To assess the effectiveness of its actions to address modern slavery risks, the Ryowa Group has undertaken a review of its business activities and processes in connection with the preparation of this modern slavery statement.

The Ryowa Group also discussed risks of modern slavery identified within the operations and supply chains of its Investments with the relevant managers, as well as reviewed the modern slavery statements of its joint venture partners.

5 Consultation and approval

In preparing this modern slavery statement, senior employees of Mitsubishi Corporation responsible for the operations of the Ryowa Group, as well as the directors of the Ryowa Group, were consulted. This modern slavery statement has also been reviewed by relevant subject matter experts within Mitsubishi Corporation prior to it being put to the Board of the Ryowa Group for final review and approval.

This modern slavery statement was approved by the boards of:

- (a) Ryowa II on 15 September 2023;
- (b) Ryowa GPS on 15 September 2023; and
- (c) Ryowa Development on 15 September 2023.

6 Looking ahead

The Ryowa Group is continuing to develop and implement a framework to assess and monitor the modern slavery risks in its operations and supply chains.

The Ryowa Group recognises that the risks of modern slavery are complex. We will continue to work to address modern slavery risks in our business and engage with a range of stakeholders (including our Investment partners) to assess the effectiveness of our actions and build-up our approach.



Signed by Hiroshi Nakayama

Director of Ryowa Development II Pty. Limited, Ryowa Development Pty. Ltd. and Ryowa II GPS Pty. Limited

Date: 15 September 2023