

**ASX Announcement**

23 August 2022

## FY22 Corporate Governance Statement

Reece Limited (“**Reece Group**”; ASX: REH) releases its 2022 Corporate Governance Statement in accordance with the Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition).

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This announcement has been authorised by Chantelle Duffy, Company Secretary at the direction of the Reece Limited Board.

### About the Reece Group

Reece Group is a leading distributor of plumbing, waterworks and HVAC-R products to commercial and residential customers through over 800 branches in Australia, New Zealand and the United States.

Established in 1920 and listed on the Australian Securities Exchange (ASX: REH), Reece Group has approximately 9,000 employees committed to improving the lives of its customers by striving for greatness every day.

For further information on Reece Group and its portfolio of businesses please visit [group.reece.com/au](http://group.reece.com/au).

# Corporate Governance Statement 2022



Corporate Governance at Reece  
is grounded in our values. We aim  
to ensure good business practices  
and transparent and constructive  
engagement with all our stakeholders.

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Reece acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, culture and community. We pay our respects to Elders past, present and emerging.

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# Our Governance Approach

## Our Purpose and Values

We are a purpose driven organisation. Together with our values, this is what we call 'The Reece Way' and it drives what we do every day.



**Create customers for life**



**Discover your best**



**Grow as a team**



**Innovate big and small**



**Try. Try. Try.**



**Own it**



**Keep it simple**



**Do the right thing**



**Be humble**



**Write the next chapter**

## Governance for the long term

At Reece, our values are lived across the business and are fundamental to how we operate.

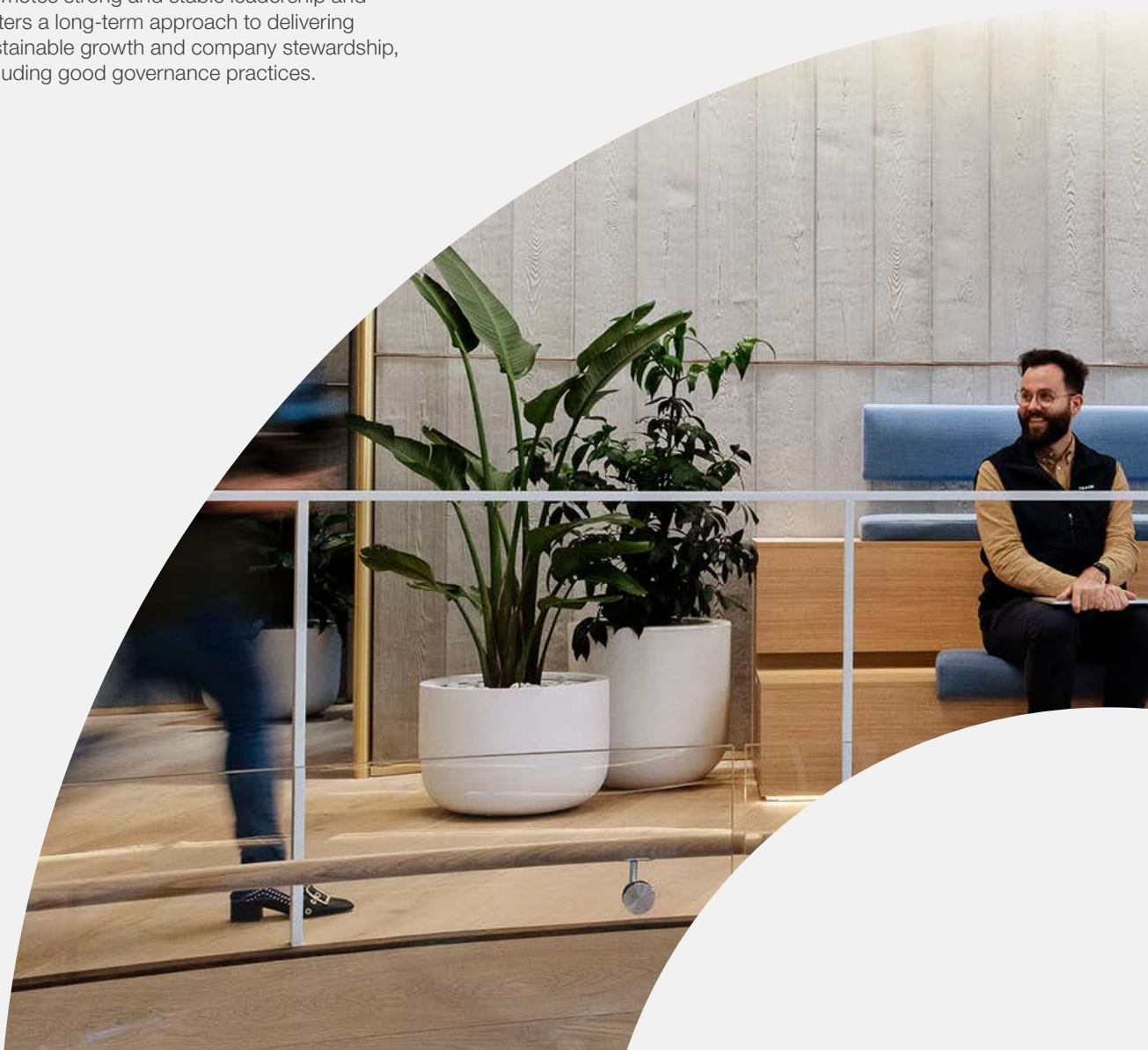
Corporate Governance at Reece is grounded in this values based approach. We seek to ensure good business practices and transparent and constructive engagement with all our stakeholders, including customers, suppliers, investors, our team and the communities in which we operate.

From humble beginnings, we have grown over 100 years in an ownership structure which promotes strong and stable leadership and fosters a long-term approach to delivering sustainable growth and company stewardship, including good governance practices.

### ASX Corporate Governance Principles

This statement seeks to provide an overview of our approach and the key policies which drive our commitment to strong Corporate Governance practices. We are guided by the recommendations of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition) (ASX Principles)*, which are cross referenced on the final page of this statement.

Our Board of Directors are responsible for overseeing our governance approach and have approved this statement for release.



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# The Reece Limited Board

## The Role of the Board

The role of the Reece Limited Board (the Board) is to oversee the delivery of a sustainable long-term growth strategy and provide strategic guidance and oversight. The Board is also the custodian of shareholder interests.

Our Board charter details the composition, functions, responsibilities and authorities of the Board. This document is reviewed annually, and outlines matters reserved for the Board and those delegated to Management, as represented in the following governance structure outline.

The Board is responsible for monitoring the effectiveness of the Group's governance practices, monitoring compliance with the Group's ethical standards and policies and dealing with any matters referred by a Board Committee.

In FY2022, the Board has continued to focus on providing strategic oversight and guidance on the external challenges being faced by the Group, particularly the ongoing impact of the COVID-19 pandemic, supply chain issues and operational disruptions. The Board has also focused on sustainability and endorsed the company's sustainability approach.

## Board Responsibilities

<b>Strategy and company performance</b>	<ul style="list-style-type: none"><li>- Reviewing and approving strategic plans and corporate objectives</li><li>- Monitoring the company's operational and financial performance</li><li>- Approving budgets, 3-year financial plan and monitoring capital expenditure, capital management and potential acquisitions</li><li>- Approving the company's remuneration frameworks</li><li>- Approve the Group's half-yearly and annual financial statements, and monitor and review management processes for the integrity of financial and other reporting.</li></ul>
<b>Risk management and compliance</b>	<ul style="list-style-type: none"><li>- Ensuring that management has developed and implemented a sound system of risk management and internal control</li><li>- Monitoring the effectiveness of the Company's systems for the management of material business risks</li></ul>
<b>Executive review</b>	<ul style="list-style-type: none"><li>- Managing succession for all key management personnel which includes the Group CEO, Group CFO and executives who report directly to the Group CEO.</li><li>- Setting and monitoring delivery of performance objectives and remuneration frameworks for senior executives</li></ul>
<b>Representing stakeholder interests</b>	<ul style="list-style-type: none"><li>- Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company</li><li>- Monitoring Reece's compliance with and fostering of Reece's governance standards and regulatory requirements</li></ul>
<b>Board administration, composition and performance</b>	<ul style="list-style-type: none"><li>- Appointing the Chair of the Board and its Directors and managing succession processes</li><li>- Conducting rigorous checks of Directors who will come before shareholders for election at the Annual General Meeting</li><li>- Reviewing the Board's performance annually to ensure it remains effective and appropriate for Reece's circumstances</li><li>- Establishing and monitoring the performance of the Board Committees</li></ul>

## Conflict of interest management

Under our company Constitution and by law, our Directors must disclose any conflicts of interest and abstain from participating in any discussion or voting on matters in which they have a material personal interest. Our Company Secretary is responsible for monitoring these matters and potential conflicts.

## Role of the Directors

The responsibilities of the Board include monitoring the performance of the Executives, including appointment and removal, approving the remuneration framework and ensuring alignment with the Group's purpose, values, strategic objectives and risk appetite.

The Company has written agreements with Directors incorporating the term of engagement and expected standards of conduct and commitment. At all times Directors will act honestly, fairly and ethically and discharge their duties in good faith, in the best interests of Reece and act in a manner consistent with Reece's values, Code of Conduct and policies adopted from time to time by the Board.

## Role of the Chair

Alan Wilson is the Executive Chair of the Board. He is not an independent Director, having been associated with leading the Company as founder, and in an executive capacity for over 50 years. He plays a unique role in the business, with significant industry knowledge and mentoring employees at all levels. (see: Our approach to independence and diversity below).

The role of the Chair is set out in the Board charter and includes:

- Leading the Board and facilitating effective contributions from all Directors and promoting constructive and respectful relations between Directors, the Board and the senior executive team.
- Representing and speaking on behalf of the Board at Reece's general meetings.
- Monitoring the contribution of individual Directors and providing annual feedback on their performance.

## Role of the Company Secretary

The Company Secretary is responsible for all matters relating to the proper functioning of the Board and is directly accountable to the Board through the Chair on all Board matters.

## Ensuring and measuring Board effectiveness

To enable Directors to perform their duties, all directors:

- Have undergone a detailed induction process to enable them to be effective Directors and gain substantial knowledge about Reece. This includes mandatory induction and individual induction by the Chair and Group CEO, including site visits;
- Are provided with appropriate information in a timely manner and can request additional information at any time. This includes key presentations from management and external professionals;
- Are able to seek independent professional advice at the Company's expense;
- Are able to undertake professional development opportunities to further develop their knowledge and skill needed to perform their role as a Director; and
- Have access to the Chair of the Board, the Group CFO and the Company Secretary.

An internal evaluation of the performance of Executive Directors and senior executives is undertaken annually. Board members participate in an annual self-assessment of the performance of the Board and Board Committees specifically. This process includes surveys, self-assessment questionnaires and a debrief session.





## Board skills matrix

In FY21, Reece mapped the current and future skill set and capabilities needed for the Board. Existing Director profiles were mapped against a desired set of complementary skills, experience and backgrounds, and reviewed by the Chair and Deputy Chair. The Board committed:

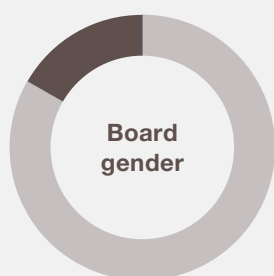
1. To expand the Board over time, and in doing so target candidates who would increase the diversity of the Board
2. To seek to recruit for desired skills and experience, including experience in innovation and technology, marketing, customer engagement, risk management and finance.

The Board agreed to seek to deliver on these recommendations over time while acknowledging that finding the right fit in future Directors for Reece would be prioritised and may dictate timelines.

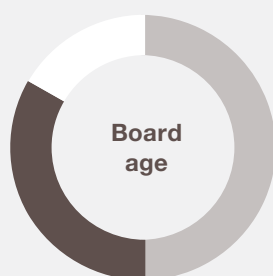
## Our approach to Board independence and diversity

Reece has a proud history of founder ownership which sets it apart from many other ASX listed companies and which we believe has contributed to Reece's success.

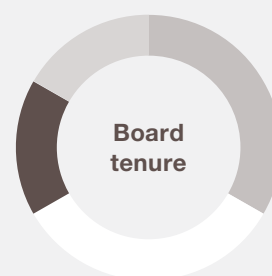
Reece is committed to balancing the important contribution of the Wilson family with the need to ensure a diversity of views on the Board and throughout senior leadership of the business. As outlined above, we intend to expand the Board over time, and have also announced our intention to transition to a new Chair. We will prioritise these considerations in the recruitment processes for these appointments. We regularly engage with our key stakeholders, including our key investors, on these issues.



● Female ● Male



● 40-50yrs ● 50-60yrs ○ 60+yrs



● 0-4yrs ● 5-19yrs ● 20-29yrs ○ 30+yrs

## Board Committees

The Board has established two committees, an Audit and Risk committee, and a Remuneration committee. Each committee has three members, including an independent Chair who is not the Chair of the Board, and are made up of a majority of Independent Directors.

At Reece, the role of a Nominations committee is carried out by the full Board.

Information about the members of these committees, their relevant qualifications and experience, the number of times the committee met throughout the most recent reporting period and the individual attendances of members at those meetings is included below.

### Committee meetings in FY22

Director	Number of Audit and Risk Committee Meetings Attended	Number of Audit and Risk Committee Meetings Held Whilst In Office
Tim Poole	5	5
Andrew Wilson	5	5
Megan Quinn	5	5
Director	Number of Remuneration Committee Meetings Attended	Number of Remuneration Committee Meetings Held Whilst In Office
Tim Poole	4	4
Bruce C. Wilson	4	4
Megan Quinn	4	4

## The Reece Limited Board



**L. Alan Wilson,  
Executive Chair**

Appointment:  
1969

Alan has had more than 60 years' experience working in plumbing distribution and has been working at Reece for 51 years as General Manager, Deputy Chair, Managing Director and now Chair.

In this time Alan has grown the Company from a Victorian-based plumbing supplier into a multi-dimensional, global distribution business of plumbing, waterworks and HVAC-R products.



**Peter Wilson,  
Group Chief Executive  
Officer (CEO)**

Appointment: 1997  
Qualifications: B.Com  
(Melbourne), FIML

Peter has more than 25 years' experience working with Reece, starting his career in branch before being appointed Marketing Manager, General Manager – Operations and then Chief Operating Officer.

Peter was appointed Chief Executive Officer and Managing Director in 2008, the start of a significant organic and acquisition-led growth period for Reece Group into new industries and throughout Australia, New Zealand and the US.



**Tim Poole,  
Non-Executive Director**

Appointment: 2016  
Qualifications: B.Com  
(Melbourne)

Tim began his executive career in 1990 at Price Waterhouse before joining Hastings Funds Management in 1995. He helped build Hastings into a global investor in private market assets, principally equity and debt issued by infrastructure companies and was the Managing Director from 2005 to 2007.

Since retiring from Hastings, Tim has been an investor and Non-Executive Director of a range of public and private companies in sectors including infrastructure, transport, property, financial services and mining.



**Megan Quinn,  
Non-Executive Director**

Appointment: 2017  
Qualifications: GAICD

Megan has more than thirty years of international experience as a senior executive, advisor and Non-Executive Director across a range of industries.

She brings exceptional customer, governance, strategic, marketing, operational and business skills, with particular strength in people experience, digital transformation, multi-channel, innovation, creativity and service.

In 1999, Megan co-founded NET-A-PORTER, quickly establishing it as an international brand.



**Andrew Wilson,  
Non-Executive Director**

Appointment: 2018  
Qualifications: B.Bus (RMIT),  
GAICD, ACMA/CGMA

Andrew has more than 20 years' experience in investment management and finance with leading national and multi-national companies. Andrew has held senior roles in the fields of audit, risk management, tax and treasury.



**Bruce C. Wilson,  
Non-Executive Director**

Appointment: 2016  
Qualifications: B.Com (La Trobe)

Bruce has more than 20 years' experience in the plumbing industry working at Wilson Sheet Metals, a manufacturer of quality rainwater products and accessories for trade customers.



**Chantelle Duffy,  
Company Secretary**

Appointment: 2020  
Qualifications: B. Com/  
Sci (La Trobe), CA.

Chantelle joined Reece in 2019 as the Group Financial Reporting Lead.

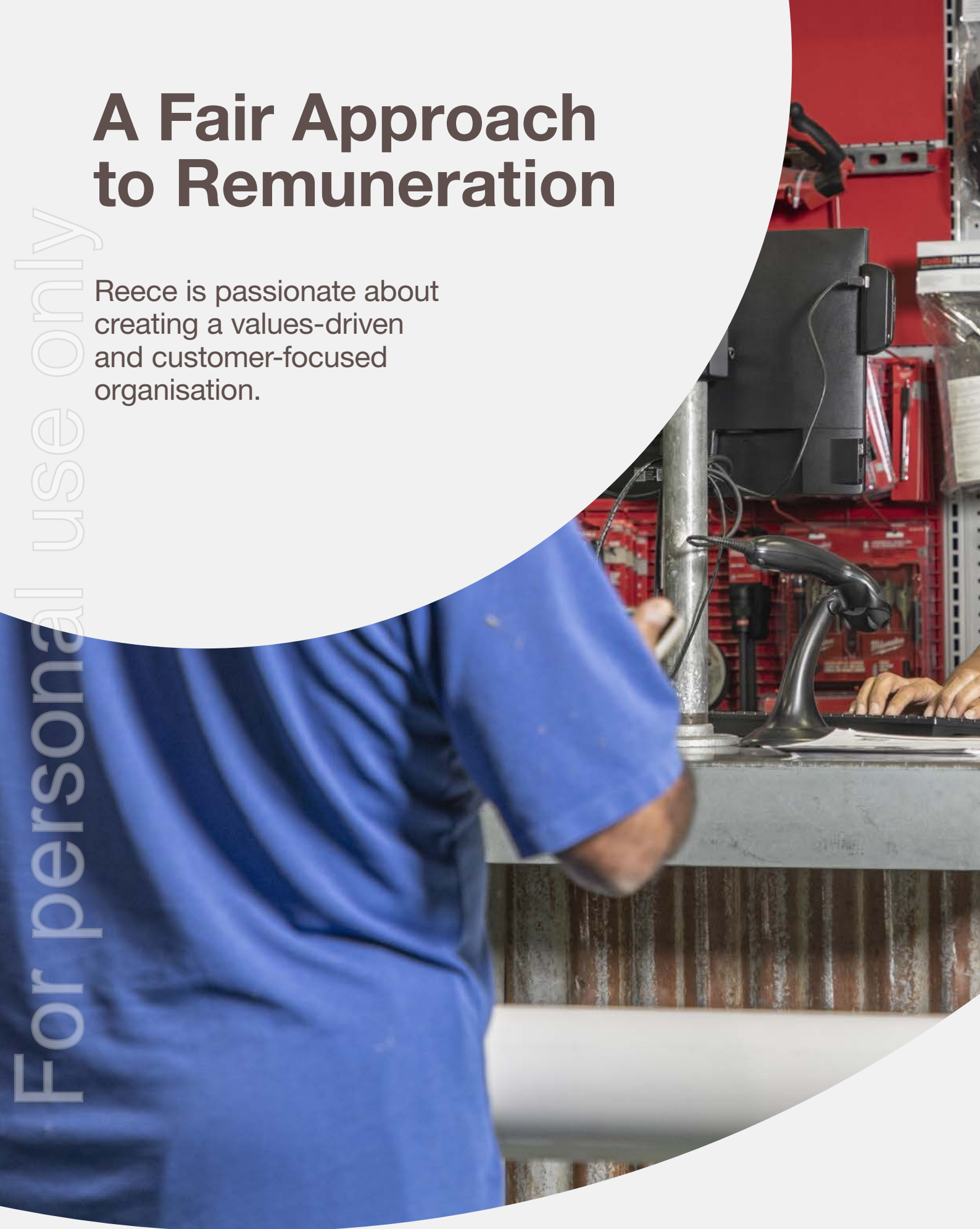
Chantelle is a Chartered Accountant with over 15 years financial experience working with EY and PwC in Australia and internationally specialising in Corporate Governance and Financial Accounting and Reporting.

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# A Fair Approach to Remuneration

Reece is passionate about creating a values-driven and customer-focused organisation.

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Further details are set out in our FY22 Remuneration Report, in our Annual Report.

We are determined to create a business for the long term, and this is reflected in the way we incentivise our leadership team. We design our remuneration to support Reece's purpose and values, with the objective of achieving our long-term goals.

The Remuneration Committee designs the Group's remuneration policies and strategies and individualised remuneration packages for senior executives, utilising external benchmarking where appropriate. The Committee obtains advice as necessary, to ensure Reece attracts and retains talented and motivated employees who can enhance our performance.

The assessment of executive remuneration reflects a range of operational and strategic performance measures, aligned to the long-term business strategy and driving the right behaviours to create a culture that promotes safety, innovation, diversity and employee satisfaction.

The following process is in place to review performance-based remuneration outcomes together with Reece's values:

- A recommendation is provided by the Group CEO in relation to each of his direct reports
- A recommendation is provided by the Remuneration Committee to the Board in relation to the Group CEO's performance
- No member of management including the Group CEO is present during discussion of their remuneration
- The Remuneration Committee conducts a review of performance against the measures set at the start of the year
- The remuneration review is presented to the Board including 'at-risk' STI outcomes and vesting of any LTI awards
- The Directors consider the recommendations before approving individual outcomes.



# Managing Risk

We recognise that a wide range of risks exist in our business, and that building a strong risk management culture is critical to delivering our vision and strategy.





## Our Risk Approach

Risk management helps us to maintain and improve our competitive advantage, and is pivotal to the ongoing success of our business.

While we acknowledge that our formal approach to risk will evolve, particularly given the maturity of our ANZ business compared to our earlier stage business in the United States, we are committed to ensuring that risk management practices are embedded at every level of the organisation, driving consistent, effective, and accountable decision-making over time.

In line with this commitment, in 2022 the Board formally set its risk appetite for our ANZ business, providing clear performance boundaries around Reece's documented risks and strategic objectives. Our US region is on a similar journey, having recently mapped their principal risks with a view to enabling integrated Group-level risk reporting in FY23. We aim to align to best-practice standard ISO 31000 and meet expectations under the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations'.

We have outlined a table of principle risks in our 2022 Corporate Governance statement, which details some of our more material risk exposures, and how we seek to manage them.

By proactively anticipating risk, we are strongly positioned to mitigate associated threats, appropriately plan for contingencies, and take advantage of opportunities that benefit all stakeholders.

## Our principal risks

A wide range of risks are part of our day-to-day risk management cadence. The below snapshot provides insight into some of the more material risk exposures and how we seek to manage them.

Risks	Key drivers	Mitigations
<b>Macroeconomic and competitor landscape</b> <p>The external risk environment continues to be influenced by uncertainties in the macroeconomic and geopolitical landscape, including international disputes and trade tensions, and broader environmental threats including extreme weather events and continued pandemic-induced slowdowns. Reece's competitive markets can also be impacted by local forces such as disruptive product innovation, new entrants, and changes in customer strategies and preferences.</p>	<ul style="list-style-type: none"> <li>- Economic and competitive market conditions.</li> <li>- Mounting geopolitical risk landscape.</li> <li>- Environmental factors including pandemics and extreme weather.</li> </ul>	<ul style="list-style-type: none"> <li>- Proactive monitoring of key economic indicators and the broader global landscape.</li> <li>- Agile processes and business continuity discipline to respond to changing conditions.</li> <li>- Focus on innovation and disruptive technology, including diversified products and services.</li> </ul>
<b>IT resilience and cyber security</b> <p>Reece recognises the criticality of protecting its systems, applications and data, and maximising our ability to recover rapidly in the event of a disruption. In particular, cyber security risks continue to pose an elevated threat to all organisations, including risks associated with major 'denial of service' type attacks, ransomware, malware and other malicious hacking activities, all of which can lead to a material disruption to operations.</p>	<ul style="list-style-type: none"> <li>- Increasing complexity and transformation of the IT environment.</li> <li>- Rapidly evolving cyber security risk landscape, including ransomware.</li> <li>- Technology changes including additional adoption of cloud technology.</li> </ul>	<ul style="list-style-type: none"> <li>- Appropriate IT environment testing, monitoring, and maintenance.</li> <li>- Dedicated cyber security team, strategy, and control environment.</li> <li>- Screening of all supplier, customer, and vendor IT environments.</li> </ul>
<b>Data and information privacy</b> <p>Data and information privacy is a growing priority for our business and our customers, and an area that is subject to increasingly stringent regulations. Privacy risk includes the risk of deliberate or inadvertent release of personal and/or sensitive information leading to a privacy breach, which may in turn trigger a non-compliance with relevant legislative requirements.</p>	<ul style="list-style-type: none"> <li>- Increasing volume and complexity of data.</li> <li>- Customer and regulator expectations.</li> <li>- Cyber security threats.</li> </ul>	<ul style="list-style-type: none"> <li>- Privacy policy, framework and supporting controls.</li> <li>- Dedicated data governance program, including training.</li> <li>- Robust and tested data breach response protocols.</li> </ul>
<b>Supply chain and transportation disruption</b> <p>Reece operates a global supply chain, which requires the continued ability to access, move and provide products to our end customers. Inherent dependencies on key suppliers or geographies can result in single-point sensitivities and disruption risk, including shortages or bottlenecks associated with geopolitical uncertainty, extreme weather, or pandemic-induced slowdowns.</p>	<ul style="list-style-type: none"> <li>- Single points of sensitivity in the supply chain.</li> <li>- Mounting global and geopolitical risk landscape.</li> <li>- Freight and transportation dependencies.</li> </ul>	<ul style="list-style-type: none"> <li>- Supply continuity strategies refined through the current COVID-19 disruption.</li> <li>- Robust contractual agreements and protections.</li> <li>- Ongoing program to ensure diversification of suppliers across multiple geographies.</li> </ul>
<b>People and talent</b> <p>Reece requires high-calibre talent centred on a deep level of bespoke industry expertise and knowledge. With retention and recruiting challenges expected to remain prominent due to strong labour markets and increased competition, we need to actively manage key talent risks within our broad portfolio of specialised skill-sets.</p>	<ul style="list-style-type: none"> <li>- Competitive talent market where demand is exceeding supply.</li> <li>- Increasing expectations from the workforce in the current labour market.</li> <li>- Flexibility/agility in role design in the post-COVID-19 environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Talent and succession planning to manage single points of sensitivity.</li> <li>- Remuneration structure reviews and benchmarking.</li> <li>- Leadership development programs and employee capability training.</li> </ul>

## Risks

**Health, safety and well-being**

The health and safety of the Reece team and customers is core to the Group's people promise, and remains fundamental to the daily and weekly routines of our branch networks. Reece is committed to creating a safe working environment where people are protected from both physical and psychological harm.

## Key drivers

- Inherent safety risks arising in the normal course of business.
- Diverse network of physical infrastructure and equipment across sites.
- Large motor vehicle fleet.

## Mitigations

- Dedicated safety department, including supporting systems and controls.
- Safety monitoring, inspection and training programs.
- Formal incident and injury management processes.

**Product quality and safety**

The supply of dependable and safe products is imperative to our customer promise. A product quality failure at any point across the supply chain could result in injuries, liability claims, and/or product recalls.

- Large portfolio of bespoke solutions sourced to meet customer needs.
- Complex specifications and installation requirements for some products.
- Some inherent reliance on the quality and control procedures of our suppliers.

- Robust quality assurance and testing programs.
- Appropriate warranties and insurances.
- Investment in training to ensure correct installation and use of our products.

**Environmental, social, and corporate governance (ESG)**

Reece's operations must continue to maintain positive societal impacts, including appropriate action to respond to long-term climate and environmental changes, and a proactive stance on social responsibility. We also recognise the heightening regulatory environment, and the reputational risk associated with any failure against ESG reporting or disclosure obligations.

- Source of growing stakeholder expectations.
- Depth and complexity of the supply chain.
- Increasing regulatory landscape surrounding ESG.

- ESG governance framework in place, including a bespoke modern slavery roadmap.
- Developing integrated reports and ESG targets.
- Direct program oversight by the Reece Board.

**Technological disruption and transformation**

Reece must keep pace with technological advancements that disrupt our operational and competitive landscape. Upcoming technologies, including industrial robotics and smart automation, have the potential to impact Reece and its broader markets, together with rapid developments in data science, machine learning and predictive modelling.

- Increasing speed and volume of technological disruption.
- Changing consumer behaviours and expectations.
- Impact of legacy infrastructure and environments.

- Technology strategy and roadmap.
- Active pursuit of new and disruptive technologies through Reece's innovation programs.
- Explicit budgeting for underlying technology infrastructure and capability improvement.

**Legal and compliance landscape**

Reece must comply with a broad range of applicable laws and regulations, as well as its legally binding contracts and agreements, whilst also ensuring that any breaches (potential or actual) are identified and handled in a timely and proactive manner. The underlying complexity of regulatory and contractual obligations is also expanding as the Reece business grows, including expansion into new business ventures and adjacencies.

- Growing breadth and complexity of Reece's regulatory landscape.
- Increasing regulatory scrutiny across a range of disciplines (e.g. ESG).
- Large volume of bespoke contracts and agreements across the business.

- Dedicated in-house risk, procurement and legal personnel.
- Outsourced subject-matter expertise as required.
- Review of compliance via our internal audit program.



# Engaging with our stakeholders

Reece is committed to fair and transparent engagement with all of its stakeholders.



In particular Reece is committed to meeting its obligations under ASX Listing Rules for balanced and timely disclosure. We also prioritise building constructive relationships with our shareholders through two way communication, and providing information necessary for shareholders to judge our performance.

## Shareholder engagement

Shareholders and other interested parties are informed of all material matters affecting Reece Group through ASX announcements and presentations, available on the Group website. The 'Investors' section of the website contains a range of information for shareholders, including historical ASX announcements, annual reports, presentations and governance documents. It also includes share price updates and dividend history.

Bi-annually following the publication of our half and full year results, our management team hosts a webcast for shareholders. We also proactively engage with key market analysts and large shareholders.

Other engagement forums include our Annual General Meeting (AGM). This event is structured to encourage active participation by shareholders to ask questions on any matter relevant to the performance and operation of the Group. All resolutions put to shareholders are determined by poll. External auditors attend each AGM and are available to answer shareholder questions.

## Continuous Disclosure approach

The Board has approved a Continuous Disclosure Policy which outlines our approach to ensuring timely disclosure of material information. Reece is committed to complying with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules. Directors and management must adhere to this policy at all times.

The Company Secretary is authorised to communicate with shareholders and the market at the direction of or on behalf of the Chair and the Group CEO. The Board receives a copy of all announcements under Listing Rule 3.1 immediately prior to those announcements being made to the ASX (noting that the Board may not approve or authorise all announcements).



# Doing the Right Thing at Reece

The Board and management team places strong emphasis on honesty and integrity in all business dealings.

They recognise that the interests of the Reece Group and all its stakeholders are served best when Directors, senior executives and employees adhere to high standards of business ethics and comply with the law.

## Acting responsibly

We are committed to acting ethically and responsibly throughout our business and have several policies in place to safeguard this commitment, including:

- Code of Conduct
- Share Trading policy
- Whistleblower policy
- Anti-Bribery and Corruption policy
- Supplier Expectation Guide
- Privacy Policy
- Diversity and Inclusion policy
- Health and Safety policy

These policies are designed to ensure that the highest possible standards of behaviour are upheld. We have a framework to roll out a continuous improvement approach, including training, to promote and encourage the responsibility and accountability of individuals for reporting unethical practices.

Material breaches of these policies are reported to the Board.

In addition to these policies Reece also meets the requirement to publish a Modern Slavery Statement annually under the *Australian Modern Slavery Act (Cth) 2018*. In this document, which is also available on our website, we detail our efforts to mitigate risks to human rights within our operations and supply chain.

## Looking after our team

Reece prides itself on its culture. Great care and effort goes in to ensuring that team members feel safe, cared for, valued and included. We undertake regular employee engagement surveys to test this thesis. Results are reported to the Board, and management is empowered to take action to address any issues as they arise and proactively ensure the Reece values and culture are promoted in the business.

## Approach to gender, diversity and inclusion

The Company is committed to continuing to build a culture that promotes and supports a diversity of views and backgrounds by age, gender, culture and skill set. We work proactively to attract and retain a diverse workforce with a positive customer focus by providing an inclusive, safe, equitable and engaging working environment.

Reece has a Diversity and Inclusion policy outlining our approach to this issue which is available on our website. This policy has been made available to all employees alongside online training programs on equal opportunity and training for management on the importance and benefits of diversity in the workforce. When recruiting team members, our People Experience team continually reinforces our policy to recruit for the best available talent regardless of gender, age, ethnicity, disability or cultural background.

Our diversity and inclusion approach in Australia and New Zealand is facilitated through several working groups, which our team can self-nominate to join. These groups plan, implement and support initiatives to enable a more inclusive workforce. The working groups are overseen by a D&I Taskforce which meets on a bi-monthly basis to review activity and steer the broader strategic approach to inclusion. Feedback from employee engagement surveys is additionally assessed in this forum.

## Gender diversity at Reece

Regarding gender specifically, we believe it is important to acknowledge that the building materials and trade industry has to date had low gender diversity. This has been reflected in our operational workforce to date.

### Group gender split in FY22

#### ANZ

- Total employee headcount: 25% female
- Senior Managers: 25% female

#### US

- Total employee headcount: 16% female
- Senior managers: 30% female

We are passionate about broadening our gender diversity, and our strategies and goals to support a culture of inclusion and diversity are continually reviewed to assess how we can drive further change.

By way of example, in July 2021 we implemented a new Parental Leave Policy in our Australia and New Zealand business. The policy provides primary carers with 16 weeks full pay plus up to 52 weeks of superannuation, and extends the amount of leave available to secondary carers. This policy change was backdated 12 months to benefit our people on parental leave at the time of commencement.

Our Australian workplace profile covering the 2021 calendar year, as prepared for the Group's WGEA assessment, is set out below:

#### Females as a percentage of total

Key Management / Head of Business (CEO)	14.3%
Senior Management	23.1%
Managers	13.4%
Team Members (non Manager)	26.6%

## Safety at Reece

Our goal is to make sure our team, as well as our customers and visitors, go home safe, every day. We take a holistic view, believing that everyone can leave work in the same condition, if not better, both physically and mentally. We seek to empower all our people to make safe choices, and our leaders drive our culture of care and responsibility.

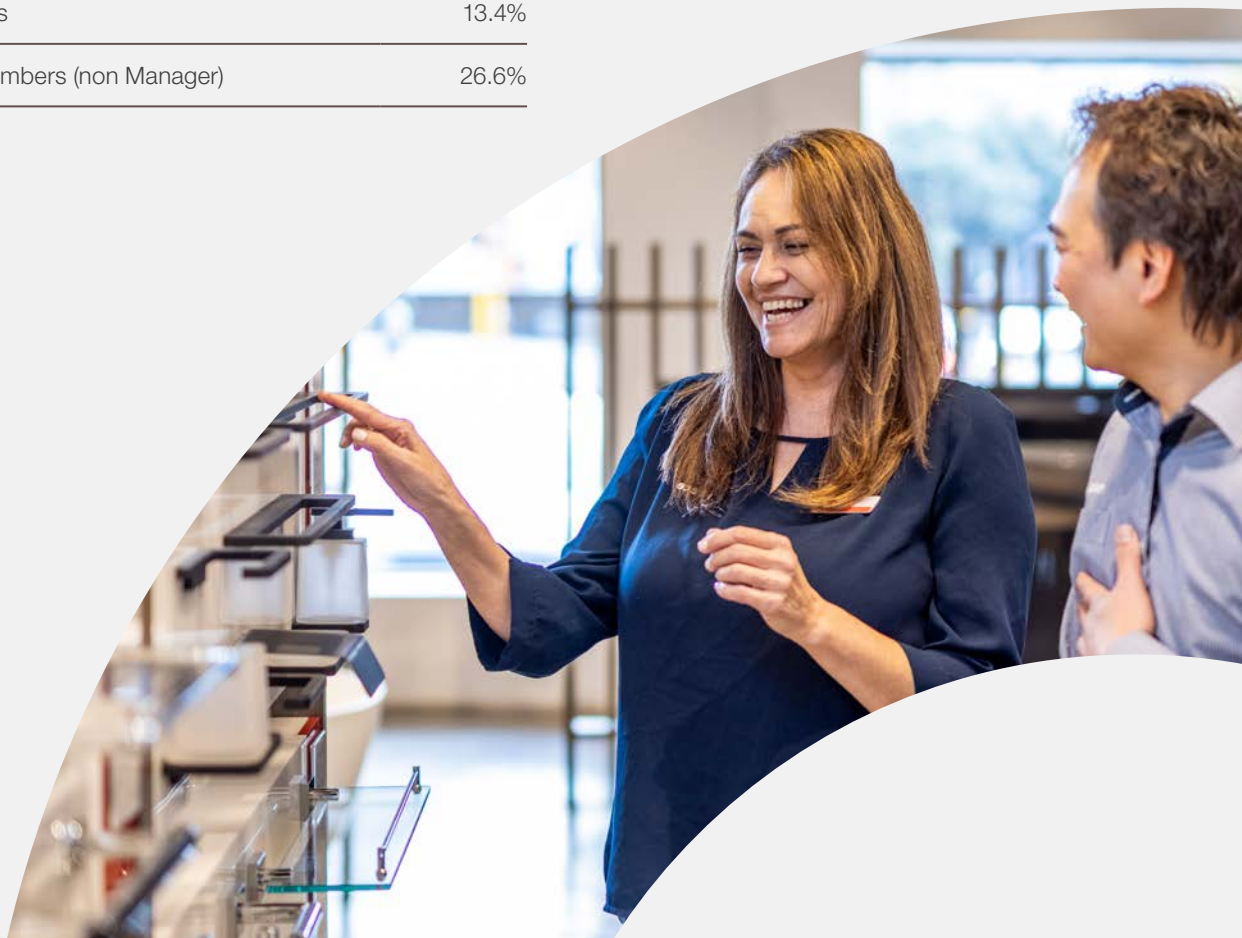
Our Health and Safety policy underpins our approach and outlines our objective to continue to drive the strong safety practices across the business.

## Approach to sustainability

The Company recognises acting responsibly means addressing our environmental and social impacts; our goal is to create sustainable change. This ambition is brought to life through our sustainability strategy which has three pillars: building a sustainable business, empowering our trade customers to create more sustainable practices and building resilient communities.

Having defined this strategy in 2021, in October 2022 we will publish our first sustainability report detailing our goals and commitments under this strategy. We will report progress against these goals annually. The sustainability report will be available on our Group website.

Our Modern Slavery Statement also outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chains and is in line with the requirements of the *Australian Modern Slavery Act*.



# **ASX Corporate Governance Principles Cross Reference**





In line with our commitment to adhering to the ASX Corporate Governance principles, we have cross referenced below where each principle is outlined within this statement in the table below.

Principle 1	Page 6-9
Principle 2	Page 6-9
Principle 3	Page 4-5, 18-19
Principle 4	Page 16-17
Principle 5	Page 16-17
Principle 6	Page 16-17
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