

**ASX Announcement**

23 August 2023

# FY23 Corporate Governance Statement

Reece Limited releases its 2023 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](https://group.reece.com/au).

# Corporate Governance Statement

2023

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Our approach to  
corporate governance  
is grounded in our  
values based culture.





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Reece acknowledges that we work on the traditional lands of First Nations' Peoples. We're committed to recognising the rights and culture of Traditional Owners, building relationships in our communities, taking steps towards reconciliation, and paying respects to Elders past and present.

# An approach for the long-term

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.

## Purpose

To improve the lives of our customers and our people by striving for greatness every day.

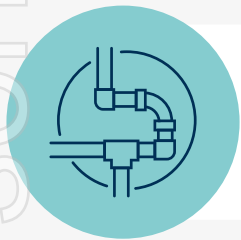
## Values



Create customers for life



Discover your best



Grow as a team



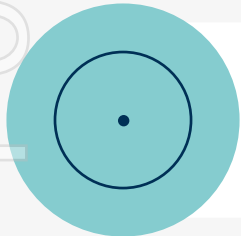
Innovate big and small



Try. Try. Try.



Own it



Keep it simple



Do the right thing



Be humble



Write the next chapter

## Our governance approach

### Corporate governance at Reece is grounded in this purpose and values based approach.

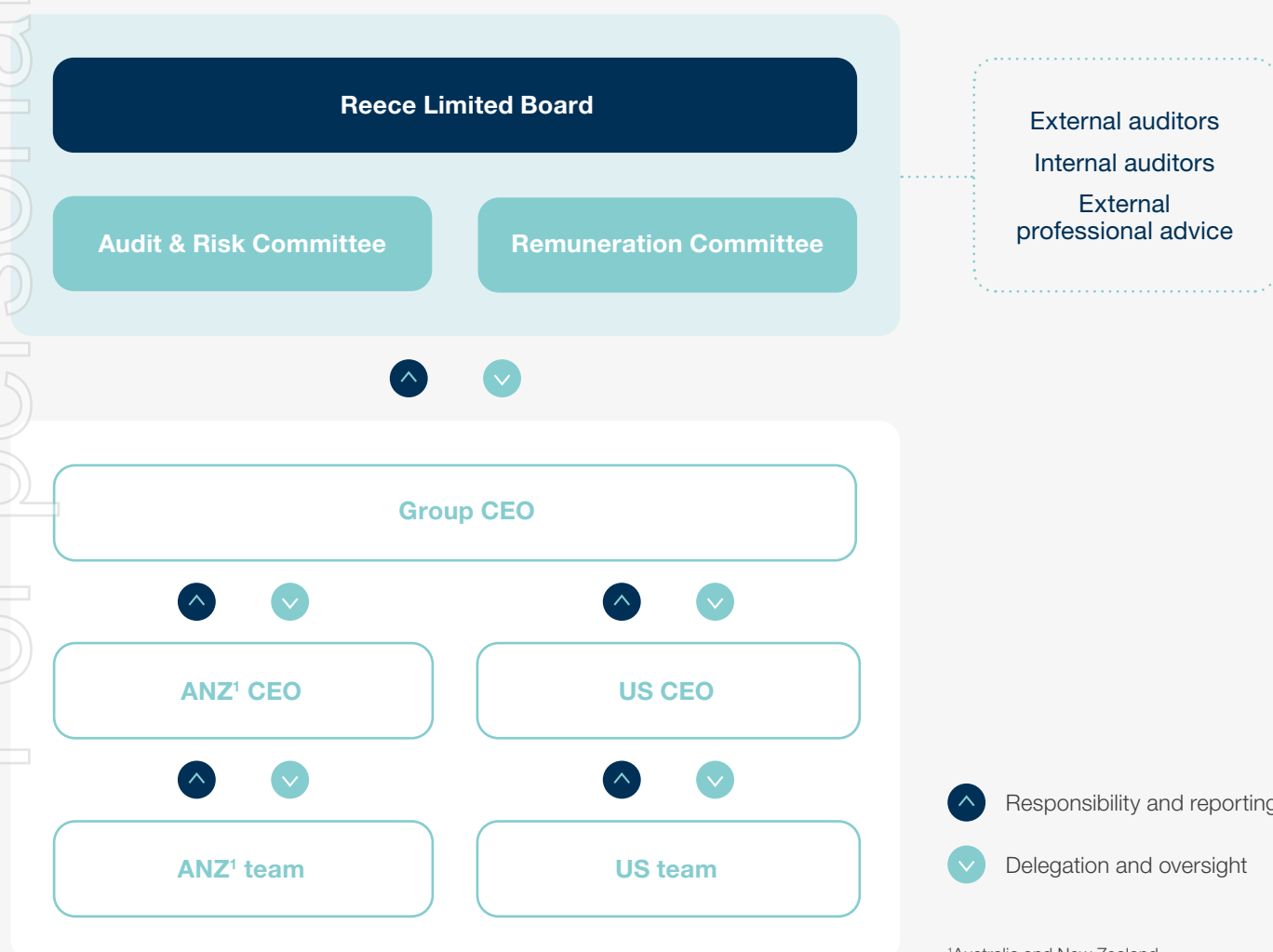
We seek to ensure good business practices and transparent and constructive engagement with all our stakeholders, including customers, suppliers, investors, our team and the communities in which we operate.

From humble beginnings over 100 years ago, we have continued to be a majority family owned business. This promotes strong and stable leadership and fosters a culture of stewardship for the long-term, which includes a culture of commitment to good governance practices.

This statement seeks to provide an overview of this approach and the key policies which drive corporate governance practices at Reece. 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.

The Reece Limited Board (the Board) is responsible for overseeing our governance approach and have approved this statement for release.

## Corporate governance framework



# The Reece Limited Board

## The role of the Board

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

A 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 governance structure outlined below.

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

In FY2023, the Board has continued to focus on providing strategic oversight, guidance on external challenges and providing input to the ongoing implementation of Reece's sustainability strategy.



## Board responsibilities

### Strategy and company performance

- Reviewing and approving strategic plans and corporate objectives
- Monitoring the Company's operational and financial performance
- Approving budgets, 3-year financial plan and monitoring capital expenditure, capital management and potential acquisitions
- Approving the Company's remuneration frameworks
- Approve the Company's half-yearly and annual financial statements and monitor and review management processes for the integrity of financial and other reporting

### Risk management and compliance

- Reviewing and approving a risk management strategy for both financial and non-financial risks
- Setting the risk appetite
- Ensuring that management has developed and implemented a sound system of risk management and internal control
- Monitoring the effectiveness of the Company's systems for the management of material business risks

### Executive review

- Oversight succession planning for all key management personnel, which includes the Company CEO, Group CFO and executives who report directly to the Company CEO
- Setting and monitoring delivery of performance objectives and remuneration frameworks for senior executives

### Representing stakeholder interests

- Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company
- Monitoring Reece's compliance with and fostering of Reece's governance standards and regulatory requirements

### Board administration, composition and performance

- Appointing the Chair of the Board and its Directors and managing succession processes
- Conducting rigorous checks of Directors who will come before shareholders for election at the Annual General Meeting (AGM)
- Reviewing the Board's performance annually to ensure it remains effective and appropriate for Reece's circumstances
- Establishing and monitoring the performance of the Board Committees





## Role of the Chair

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 AGM.
- 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.

## Conflict of interest management

Under our Company Constitution, 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 selection, nomination and appointment of Non-Executive Directors is undertaken by the Board who partner with an executive search firm as part of the process. Newly appointed Directors must stand for election at the next AGM following their appointment. Further, the Company Constitution requires that at each AGM, Non-Executive Directors who have held office for at least three years without re-election, must retire from office, but may be eligible for re-election. A recommendation from the Board to support an existing Non-Executive Director is made based on expertise, skills, experience, diversity, capacity, potential conflicts of resolution and independence and other relevant information.

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.

## 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. During the financial year the Directors visited operational sites.
- 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. During the year, Directors receive accounting policy updates, especially around the time the Board considers the half year and full year reporting financial statements.
- Receive briefings periodically on relevant matters including sustainability, legal, accounting and regulatory developments.
- 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 skills needed to perform their role as a Director; and
- Have access to the Chair of the Board, the Company 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 assessment of the performance of the Board and Board Committees specifically. Periodically, the Board reviews the individual performance of the Directors.



## Board skills matrix

Existing Director profiles were mapped against a desired set of complementary skills, experience and backgrounds, and reviewed by the Chair and Deputy Chair. This represents the current and future skill set and capabilities needed for the Board. 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.

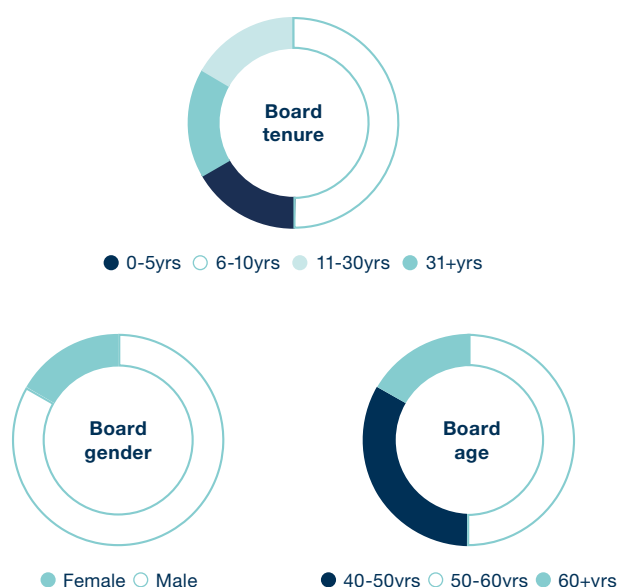
The Board agreed to seek to deliver on these recommendations over time while acknowledging that finding the right fit in future Directors for Reece would be prioritised and may dictate timelines.

## 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. The involvement of the Wilson family in leading the company operationally and on the Board over multiple decades has directly contributed to our success, and we intend to maintain appropriate family representation on the Board into the future.

At the same time, we acknowledge the need to balance this important contribution with the need for independent representation and greater diversity.

Having announced the outcome of our Chair search process in May 2023, Reece is now focused on building out the Board and we will prioritise diversity considerations in the recruitment of additional Directors. We regularly engage with our key stakeholders, including investors, on these issues.



## 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, and are made up of a majority of Independent Directors. From 1 September 2022, Mr Poole was appointed Chair of the Board and continued to Chair both the Audit and Risk Committee and the Remuneration Committee. In the future, we anticipate appointing new Chairs for both Committees once the existing Board is supplemented with additional independent Directors.

The Charters for both Committees are reviewed annually and available on our website [www.group.reece.com/au](http://www.group.reece.com/au).

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

### Committee meetings in FY23

Director	No. of Audit and Risk Committee Meetings Attended	No. of Audit and Risk Committee Meetings Held Whilst In Office
Tim Poole	4	4
Andrew Wilson	4	4
Megan Quinn	4	4
Director	No. of Remuneration Committee Meetings Attended	No. of Remuneration Committee Meetings Held Whilst In Office
Tim Poole	4	4
Bruce C. Wilson	4	4
Megan Quinn	4	4

### Audit and Risk Committee

The Audit and Risk Committee (ARC) meetings are attended by the Company CEO and his direct reports. The ARC reviews and makes recommendations to the Board on matters including the Company's financial and governance reporting processes, the risk policies and frameworks for Reece, the internal and external audit functions, risk and control culture and the control frameworks for Reece.

## The Reece Limited Board



### Tim Poole

Independent  
Chair

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.



### Peter Wilson

Group Chief Executive  
Officer (CEO) and Deputy  
Executive Chair

Appointment:  
1997

Qualifications:  
B.Com (Melbourne),  
FIML

Peter has more than 30 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 in 2008, the start of a significant growth period for Reece Group into new industries across Australia, New Zealand and by entering the US market. In May 2023 he was appointed Deputy Executive Chair in addition to his existing role, and will transition to an Executive Chair role in coming years.



### L. Alan Wilson

Executive Director

Appointment:  
1969

Alan has had more than 60 years' experience working in plumbing distribution and has been working at Reece for 52 years as General Manager, Deputy Chair, Managing Director, Chair and now Executive Director.

During his time leading the business, Alan grew the Company from a Victorian-based plumbing supplier into a multi-dimensional international distribution business of plumbing, waterworks and HVAC-R products.



### Megan Quinn

Independent  
Non-Executive Director

Appointment:  
2017

Qualifications:  
GAICD

Megan has more than 30 years' international experience as a senior executive, advisor and Non-Executive Director across a range of industries.

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

In 1999, Megan co-founded high-end online retailer 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 25 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  
GAICD

Chantelle joined Reece in 2019 as the Company 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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Further details are set out in our FY23 Remuneration Report, in our Annual Report.

# A fair approach to remuneration

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

Our deep-rooted focus on the long-term 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 Company's remuneration policy, strategy, and individual remuneration packages for senior executives. External benchmarking is used where appropriate, and external advice obtained as necessary, to ensure Reece attracts and retains talented and motivated employees who can enhance our performance.

Executive remuneration structures reflect a range of operational and strategic performance measures, aligned to the long-term business strategy and seek to drive behaviours and create a culture that promotes long-term performance, safety, innovation, diversity and employee satisfaction. It is structured with a fixed and at performance-based (at-risk) component.

Reece executives must not enter into any hedge arrangement in relation to any performance rights they may be granted or otherwise entitled to under a long-term incentive scheme, prior to exercising those rights.

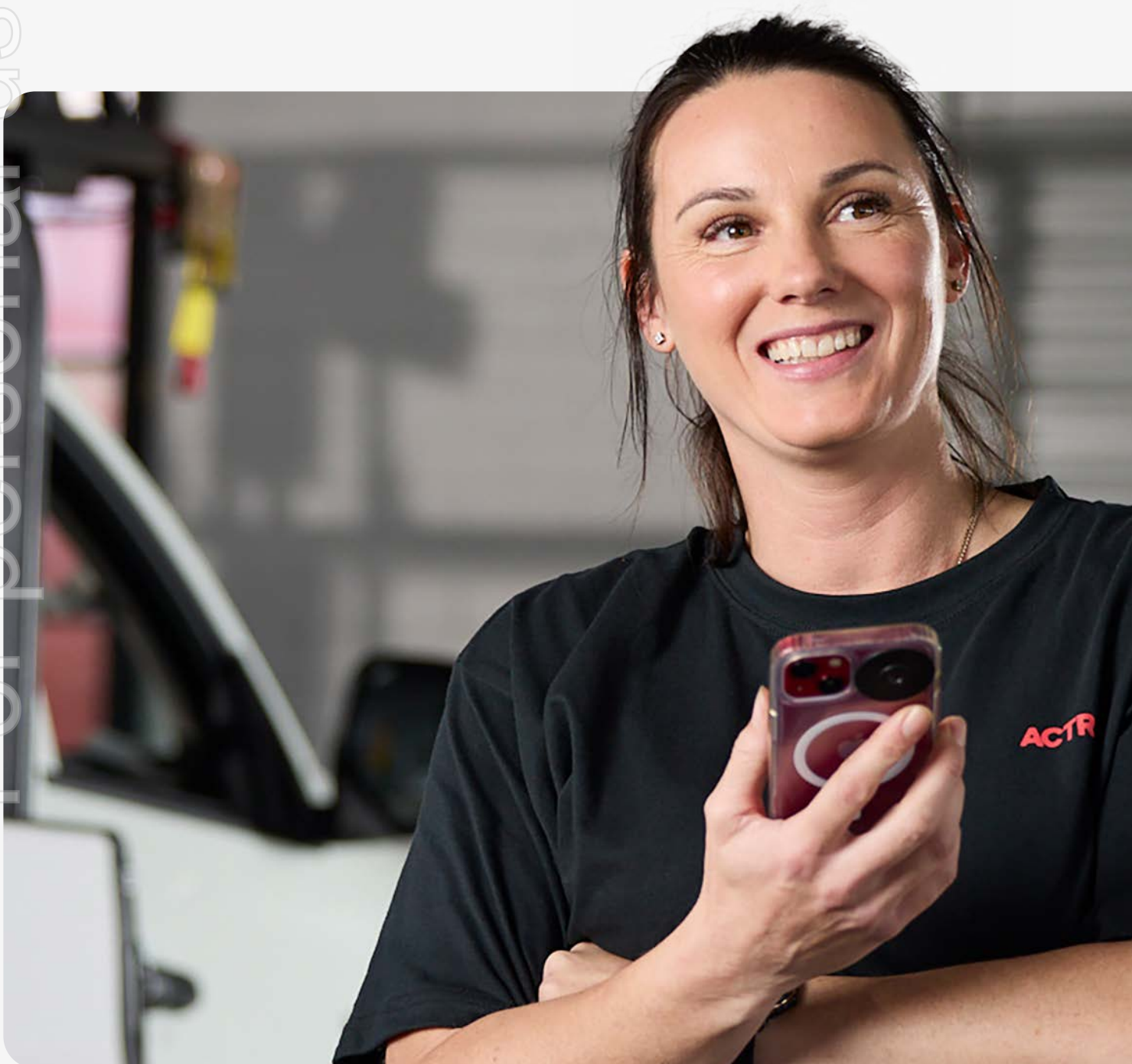
The following process is in place to review performance-based remuneration outcomes together with Reece's values:

- A recommendation is provided by the Company CEO in relation to each of his direct reports based on key deliverables.
- The Remuneration Committee periodically reviews performance throughout the year and a formal performance evaluation is completed for senior executives at year end.
- A recommendation is provided by the Remuneration Committee to the Board in relation to the Company CEO's performance.
- No member of management including the Company CEO is present during discussion of their remuneration.
- A performance evaluation as described above was undertaken for all senior executives in FY23. In respect of the Company CEO, the evaluation was led by the Chair and discussed with the Remuneration Committee and the Board.
- The Directors consider the recommendations before approving individual outcomes.

Non-Executive Directors are paid fixed fees for their services in accordance with the Company Constitution. Directors are paid a base fee plus Committee fees as applicable. Further details regarding these arrangements are set out in the Remuneration Report.

# 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 is critical to the ongoing success of our business. We are committed to ensuring that risk management practices are embedded at every level of the organisation, driving consistent, effective, and accountable decision-making.

We aim to align to best-practice standard, ISO 31000, and to meet expectations under the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations'. Our dedicated Enterprise Risk Management (ERM) function is overseen by the Audit & Risk Committee on behalf of the Board, and includes periodic reporting on principle risks and mitigation strategies across the Company.

The Board formally reviews its risk appetite position annually, which is then operationalised via our supporting risk management and assurance frameworks. Our ERM function actively partners with the business to oversee and implement consistent risk management approaches, while also actively supporting business operations to strengthen process governance and controls. In FY23,

this included a range of in-depth risk assessments across our most critical functions and processes, including a business-wide assessment of ESG risk. In FY24, we will be further bolstering these efforts with planned expansions of our ERM team in both ANZ and the US.

Independent assurance over our risk and control landscape is an essential component of good corporate governance. Our internal audit program was launched in FY23, with an initial focus on the ANZ business. Overseen by the Audit & Risk Committee, our internal audit plan remains risk-responsive and dynamic, to ensure that we are continuously spotlighting and strengthening our internal control environment where it is needed most.

Complementing our recent emphasis on the technology and cyber risk landscape, our FY23 internal audit program included targeted reviews of our IT resilience and disaster recovery capability, as well as a deep dive into data protection, privacy and governance. We are progressing plans to extend our internal audit program into the US business by FY25.

Good risk management practices drive consistent, effective, and accountable decision making.



## 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 and extreme weather events. 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>– 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 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, including a dedicated privacy roadmap and working group.</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 or extreme weather.</p>	<ul style="list-style-type: none"> <li>– Single points of sensitivity in the supply chain.</li> <li>– Increasing global and geopolitical risk landscape.</li> <li>– Freight and transportation dependencies.</li> </ul>	<ul style="list-style-type: none"> <li>– Diversified product portfolio, with flows distributed across multiple warehouse locations.</li> <li>– Robust contractual agreements and protections.</li> <li>– Working towards diversifying 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 skillsets.</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> <li>– Flexible and collaborative workplace.</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.

### 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.

### 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.

### Technological disruption and transformation

Reece must keep pace with technological advancements that disrupt our operational and competitive landscape. Evolving technologies, including advanced robotics and artificial intelligence (AI), have the potential to impact Reece and its broader markets, together with rapid developments in data science, machine learning and predictive modelling.

### 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.

## 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.

- 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.

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

- Increasing speed and volume of technological disruption, including massively available AI.
- Changing consumer behaviours and expectations.
- Impact of legacy infrastructure and environments.

- 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.

## Mitigations

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

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

- Sustainability governance framework in place, including targeted strategies and working groups on key topics such as modern slavery.
- Cross-departmental collaboration to support ESG target setting and monitoring.
- Direct program oversight by the Reece.

- 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.

- Dedicated in-house risk, procurement and legal personnel.
- Outsourced subject-matter expertise as required.
- Centralised compliance program, including mandatory staff training.

# Engaging with stakeholders

Reece is committed to fair and transparent engagement with all stakeholders, including customers, suppliers, employees, regulators and the wider market.

## Shareholder engagement

Being a publicly listed company, we prioritise building constructive relationships with market stakeholders and meeting our obligations to keep the market informed.

Material matters are communicated through ASX announcements and presentations, while the 'Investors' section of the Company website contains a range of information for shareholders, including historical ASX announcements, annual reports, presentations, dividend history and governance documents.

Following the publication of our half and full year results, our management team host a webcast for shareholders. We also proactively engage with key market analysts and large shareholders.

Our AGM is structured to encourage active participation by shareholders on any matter relevant to the performance and operation of the Company. All resolutions put to shareholders are determined by poll. Our external auditors attend each AGM and are available to answer shareholder questions.

Reece provides shareholders the option to communicate electronically with us and Computershare, our share registry.

## A relationship business

We have very strong two way relationships with our team, customers and suppliers, with deep relationships often formed over many decades. Maintaining this approach is critical to Reece's success and is a key priority for the business. Key forums include our yearly people and customer NPS surveys and supplier engagement forums.

## Continuous disclosure approach

We are committed to meeting our obligations under the ASX Listing Rules for balanced and timely disclosure of relevant information.

The Board has approved a Continuous Disclosure Policy, which outlines our approach to ensuring timely disclosure of material information, and which is available on our website [www.group.reece.com](http://www.group.reece.com). 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.

For half-year and full-year financial statements, the Board obtains written assurance from the Company CEO and MD and Group CFO that the declaration provided under Section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting and material business risks. In addition, the Company CEO and Group CFO provide a signed representation letter to the external auditors and the Board that supports that the periodic reports provide a true and fair view, there is integrity in the statements, and that the financial statements comply with the *Corporations Act 2001* and relevant Accounting Standards. The certification process is reviewed annually to ensure it remains fit for purpose.

Reece releases new and substantive investor presentations to the ASX prior to them being presented. This typically occurs at the half-year and full-year results briefings, and prior to the AGM.

The Company Secretary is authorised to communicate with shareholders and the market at the direction of or on behalf of the Chair and the Company 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).






Check out our  
refreshed investor page  
[www.group.reece.com/  
investors](http://www.group.reece.com/investors)







# Doing the right thing

**Our values-led approach to doing business places a strong cultural emphasis on honesty and integrity in everything we do.**

We know that the interests of the Reece Group and all its stakeholders will be served best when we do the right thing.

We formalise this approach through governance structures, formal policies, practices and training, as well as informally by maintaining a strong values based culture. We provide more detail and a summary of key areas in this section, and further information can be found in our annual Sustainability Report.

## 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
- Securities dealing policy
- Whistleblower policy
- Anti-bribery and corruption policy
- Supplier expectation guide
- Privacy policy
- Diversity and inclusion policy
- Health and safety policy
- Continuous disclosure policy

These policies are kept under review and in some instances differ by market, as we are at a much greater stage of maturity in our ANZ business than in our younger US business, acquired in 2018.

We are able to draw on learnings from our ANZ business and apply these in our US business as they continue to deliver progress in their policies, structures and ways of working.

Material breaches of our policies are reported to the Board.



We have a strong culture aligned to our values, and ‘doing the right thing’ is one of the ways we safeguard the interests of our stakeholders.

## A customer led sustainability strategy

We know that acting responsibly means addressing our environmental and social impacts, and in 2021 we set ourselves a goal of creating sustainable change with our first sustainability strategy. The strategy has three pillars: building a sustainable business, empowering our trade customers to create more sustainable practices, and building resilient communities.

In October 2022, we published our inaugural Sustainability Report, detailing our goals and commitments under our sustainability strategy. Topics covered include our climate targets, circular economy ambitions and how we support our team, including diversity, health and safety, learning and development, health and wellbeing and helping to build the industry of the future.

## Ethical sourcing

Reece publishes a Modern Slavery Statement annually under the *Australian Modern Slavery Act (Cth) 2018*. In this document we detail our efforts to mitigate risks to human rights within our operations and supply chain.

## Gender diversity

Historically the building materials and trade industry has had low gender diversity, and we have a responsibility as a business to play a role in changing this. Reece has made progress and already rank well ahead of the wider trade industry on gender representation, but know we have a lot more to do.

At Reece, we are passionate about broadening 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.

For further detail on our approach to gender diversity read our Sustainability Report available on our website [www.group.reece.com/sustainability](http://www.group.reece.com/sustainability).

## Safety

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.



# ASX corporate governance principles cross reference





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

Principle 1	Pages 6-9
Principle 2	Pages 6-9
Principle 3	Pages 4-5, 18-19
Principle 4	Pages 16-17
Principle 5	Page 16
Principle 6	Page 16
Principle 7	Pages 12-15
Principle 8	Pages 10-11

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