

ASX Announcement

24 October 2024

2024 Sustainability Report

Attached for release is Reece Limited's 2024 Sustainability Report.

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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 900 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 who are focused on building a better world for our customers by being our best.

For further information on Reece Group and its portfolio of businesses please visit group.reece.com/au.

Making it better every day.

Sustainability Report 2024

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Reece acknowledges that in Australia 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.

Letter from the CEO and Chair



Making it better every day

FY24 has been an important year for Reece in the sustainability space. When we set out our first strategy in 2021 we knew we had a lot to learn and were committed to building our capability.

Three years in, we have a better understanding where and how to direct our strategy and make progress on commitments. There are a number of areas directly related to our purpose of 'Building a better world for our customers by being the best', where we think we can build a differentiated position and have a large impact, and this is where we will focus our efforts.

We have become even more passionate about the role of trade, and particularly plumbing, in society. Clean water and sanitation enables communities to grow, prevents disease, and enables long-term sustainable outcomes. We're proud of the role our trade customers play to deliver this every day, and of the great impact our involvement in the Reece Foundation has had this year.

Our time and focus has also helped us understand the areas that will be more challenging. We want to be realistic and make commitments that are achievable, and have

“We look forward to delivering continuous improvement, always with an eye to the long-term.”

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shifted some of our thinking since establishing our original commitments. In particular, electric vehicle technology needs to further improve to meet the operational needs of our large delivery fleet before we can meet our Net Zero ambitions. We remain committed to reducing our emissions footprint in a practical and commercial way.

We're driven by doing what is best for our customers, our people and Reece over the long term. We do this 'The Reece Way', ensuring that our drive to deliver on our customer promise, our clear operational focus and our entrepreneurial spirit remains.

We are proud of the progress we've made so far while knowing we have a very long way to go. We look forward to making progress in the years to come.



Tim Poole

Tim Poole
Chair

Peter Wilson

Peter Wilson
Chief Executive Officer
& Deputy Chair

At a glance

Reece is a market-leading distributor of plumbing, HVAC-R and waterworks products to commercial and residential customers.

Founded

1920

Serving customers for

100+ yrs

Team members

~9000

Nationwide footprint in Australia

1997

Entered New Zealand

2006

Entered US

2018

An international footprint

ANZ FY24 Revenue

\$3.8b

Business areas

- Plumbing
- Bathrooms & Kitchens
- HVAC-R
- Waterworks
- Irrigation & Pools

Branches

661

US FY24 Revenue (AUD)

\$5.3b

Business areas

- Plumbing
- Bathrooms & Kitchens
- HVAC-R
- Waterworks

Branches

243

Our purpose

Building a better world for our customers by being the best.

Our values

Create customers
for life



Be your best



Team first



Entrepreneurial
spirit



Innovate big
and small



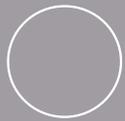
Try. Try. Try.



Own it



Keep it simple



Do the
right thing



Be humble



Our sustainability strategy

Identifying our priorities

In FY24 we completed our second materiality review to understand where we should focus our efforts.

As a customer led business, this is an important part of making sure we are getting our strategy right.

We engaged with customers, suppliers, investors, our Board and our team. We asked them what Reece should stand for in the sustainability space¹ and nine key topics in two key categories emerged: Opportunities and Foundations.

Opportunity topics are where we know we can play a leading role in driving change, and this is where we will focus our effort.

Foundation topics are where, as a large international business, we have a responsibility to do the right thing and continue improving our performance.

Reece opportunities

Areas Reece can be a leader.

Supporting the trade industry

Sustainable products and solutions

Clean water

Reece foundations

Areas of responsibility and continuous improvement.

Health, safety and wellbeing

Leadership and development

Inclusion, diversity and reconciliation

Reducing waste

Reducing our carbon footprint

Ethical supply chain

¹ We conducted our review using a double materiality approach, which considers both financial and non-financial perspectives.

A refreshed sustainability strategy

After gaining fresh insight, we refreshed our sustainability strategy.

Our first strategic pillar is building a better world for our customers, which directly aligns to our overarching purpose as a business (see page 7).

Our second strategic pillar is to be our best, in zones of activity that our team tell us are important to them.

Our third strategic pillar is to do the right thing in key areas where we have a responsibility to take action.

Building a better world for our customers

Supporting the trade industry

Sustainable products and solutions

Clean water

Be our best

Health, safety and wellbeing

Leadership and development

Do the right thing

Inclusion, diversity & reconciliation

Reducing waste

Reducing our carbon footprint

Ethical supply chain

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01. Building a better world

Supporting the trade industry

Reece has built its success over many decades by making our customers lives easier and helping them grow their businesses. We do this through our core business, insight led services, and community and industry partnerships which help support the future of our trade.

We're proud to partner with the Vocational Education Sector (VET) nationwide, and leading organisations like Empowered Women in Trades (EWIT) and Women of Trade and Industry. Together we provide opportunities

to students to discover a career in plumbing, through school workshops, employment pathways to the trade, and providing starter toolkits for new apprentices.

Beyond this, construction and the trade more broadly continue to be impacted by high rates of poor mental health and suicide. We continue to invest in our partnership with MATES in Construction in Australia and New Zealand to connect customers to services when they need it.

1.2k hrs

of counselling services provided to trade in Australia through MATES in Construction partnership.



We want to make our customers' lives easier and help their businesses thrive.

118

ASbA school based traineeships completed in FY24.



232

young women engaged in plumbing skills days in schools, in partnership with EWIT.



Key activity in FY24

- Continued our successful partnerships with 132 VET campuses across Australia.
- Helped ASbA trainee students combine school with work in a Reece branch to receive a nationally recognised qualification.
- Launched a new work experience pilot to help 31 TAFE students complete their vocational training placement hours.
- Supported 20 young women to complete a job ready program in partnership with Women of Trades and Industry.

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CASE STUDY

Supporting the next generation of trades at WorldSkills Australia

WorldSkills Australia is the biggest trades and skills competition in the country and one of 82 member countries involved with WorldSkills International which are seeking to increase skills standards and promote vocational talent. The best apprentices and trainees compete in skills challenges in different trades in 34 regions across Australia.

Reece has sponsored WorldSkills for over a decade to support the next generation of plumbers. In FY24, Reece provided all materials for the National Championship to run the competition for all plumbing competitors.



Sustainable products and solutions

The specialised products that Reece and our customers deal with every day are almost always directly engaged in the use or movement of the earth's natural resources such as water and gas, and tend to be in use for an extended period of time. Improving the performance and efficiency of these products could significantly effect our downstream impact as a business, and help to contribute to more sustainable ways of living as a society.

This view was reinforced by our stakeholders in our materiality review during FY24, who also saw this as a high priority for Reece.

We want to support our trade customers to navigate the shift to a more sustainable future. They are increasingly impacted by sustainability related regulatory changes and consumer trends. Our role is to help provide both product solutions and be a source of expertise around these changes.

For example, two areas undergoing significant change in recent years which heavily impact our customers are the electrification of hot water systems and the shift to lead-free brass. We have supported our customers through these complex changes by delivering high quality product innovation, ensuring new stock availability and providing high level of expertise for customers in branch. We've also aimed to think differently about services that might support this transition (see case study page 13).

Today we are already delivering a wide range of other sustainable products across our business. We are also in the early stages of defining our future strategy, goals and ambitions to help lead the industry in this area.

We're committed to helping our customers navigate the shift to a more sustainable world.

Sustainable products and solutions in FY24

- Began the phase out of 2 star WELS² products in FY24.
- Supported Civil customers to transition away from concrete products toward the more sustainable Awashaft polypropylene range.
- Continued working closely with suppliers and customers to navigate the shift refrigerants with lower global warming potential.



8k+

tools serviced for customers, extending the life of their trade tools.



82%

WELS 2 star rated products phased out in FY24.

² Water Efficiency Labelling and Standards (Australia)

CASE STUDY

Making life easier for our customers

In FY24, Reece partnered with Greenbank Environmental to provide a simple digital tool to make identifying eligibility and processing rebates for energy efficient products easier for our trade customers.

Claiming Australian Government rebates associated with energy efficient products, such as heat pump hot water systems, can be difficult without help. It involves paperwork and an understanding of eligibility criteria. To simplify this process, Greenbank's digital tool allows our trade customers to easily access information, process incentives swiftly and transparently quote their customers with confidence.

“Navigating rebate schemes can be complex, but our partnership with Greenbank helps our customers easily access and maximise the benefits from available schemes.”

– Mark Young, General Manager, Plumbing, Reece ANZ

7.3k+

certificates redeemed via Greenbank in FY24.



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Clean water

The movement of clean water is at the heart of what Reece, and our customers, do every day.

The Reece Foundation was established in 2022 with the belief that water is fundamental for quality of life, and that trades play an essential role in providing access to this precious resource.

For people who don't have access to clean water and sanitation, it is a lifeline. Water enables communities to thrive by helping to break the cycle of poverty and disease.

Right from the outset, Reece Foundation has been clear that what matters most is the wellbeing of people, the communities we work with and the role that clean water and sanitation plays in enabling people to live a life they value.

Thanks to the support and skills of volunteer trades, Reece Foundation has enabled over 32,000 people to access clean water and sanitation, with three projects completed this year in Maringkik, Indonesia, Eugowra, Australia and Lismore, Australia, and through the 10 grants delivered across five countries.



Key achievements in FY24

32k people enabled to access clean water and sanitation.

10 water tanks installed in flood impacted Eugowra, Australia.

2.3k hours volunteered on projects.

35 homes repaired to support people to return home in flood impacted Lismore, Australia.

83% NPS from Reece Foundation volunteers.

The power of clean water



On the island of Maringkik, Indonesia, access to clean water is the key to education.

Located in West Nusa Tenggara near Lombok, Maringkik is home to a vibrant community of shark fishermen and their families. Even though they are surrounded by water, there was no clean drinking water on the island, with local families importing bottled water at a significant cost to the community and the environment.

In partnership with Project Hiu, the Reece Foundation and seven trade volunteers worked together to provide the community with access to a sustainable and safe water source.

Project Hiu works with shark fishermen to repurpose fishing vessels to promote shark conservation and provide an alternative income for fishermen, working collaboratively to support community prosperity through education and training.

Founder Madison Stewart recognised that many shark fishermen came from Maringkik. Children on the island can attend school for free, but only if they can afford to drink bottled water. With classrooms reaching temperatures of up to 31 degrees, the key to education, and an alternative pathway to shark fishing, is hydration.

Reece Foundation volunteers supported the Project Hiu team to install a rainwater catchment and filtration system at the local school that the community can easily maintain. As a result, over 400 students and staff gained access to clean drinking water, a water source that also indirectly benefits the broader community of 3000 people. It has also resulted in improved health outcomes for school staff and provided further employment opportunities for Project Hiu crew during the construction phase. More information at reecefoundation.charity

“The highlight was achieving project milestones working with the community and the volunteers. It was an amazing experience for me.”

Fabian Schweizer, Volunteer Plumber

02. Be our best

Health, safety and wellbeing

Health and safety

At the heart of our commitment to safety at Reece is a belief that every team member deserves the right to return home safely every day. This is why we prioritise a culture of safety that empowers every team member to take responsibility for themselves and their colleagues and always 'Own It'.

Our robust safety framework drives a focus on critical safety risk management. We track lead and lag indicators and have internal targets in both areas, supported by a wide-ranging approach to training, network safety rhythms, self and management led audits and team awareness. This is underpinned in ANZ by our 'DoneSafe' safety management platform, which will be rolled out in the US in FY25.

In FY24, the ANZ and US safety teams also worked more closely together to share knowledge and learnings across regions to drive consistency of approach across the business.

Wellbeing

Driven by our internal aspiration of "Reece empowers you to be your best", we updated our Wellbeing strategy in FY24 after a comprehensive consultation program that addressed key areas of psychosocial health and eliminating sexual harassment in the workplace.

Informed by the voice of our people, a three year wellbeing strategy has been developed with activities built out to address 3 pillars; 'Leadership', 'Driving a culture of Wellbeing', and 'Individual Wellbeing'. We are also implementing a wellbeing dashboard to provide greater visibility and empower our leaders to make wellbeing decisions like they do with commercial metrics.

Key activity in FY24

- Safety internal audit conducted in ANZ.
- ANZ safety strategy launched, underpinned by a robust delivery plan.
- Online safety training implemented during Safe Work Month in ANZ.
- Continued to provide mental health training for leaders and increased the number of mental health first aiders.
- Developed a 3 year Wellbeing strategy with initiatives including building meaningful partnerships, empowering leaders with education and resources, and improved access to third party support.

8.5

ANZ LTIFR³ (FY23: 8.9)

2.5

US LTIFR³ (FY23: 3.3)

“Our leaders have a shared commitment to empower our teams to be their best”

Farhad Ahmadzai, People Experience Operations Leader, ANZ

³ Lost time injury frequency rate is calculated as total LTIs/total hours worked x 1,000,000. This formula is determined by Safe Work Australia. Refer to Note 4.4 for further information.

Leadership and development

As a service-based business with a proud culture based on promoting from within, a reputation for deep domain expertise, and a strong track record of long term retention, growing and developing our people remains a key priority. We focus on developing future leaders and high-performing teams through personalised and focused learning experiences. We focus particularly on building Reece leaders who embody The Reece Way, and navigating key leadership role transitions in the business. This has been a core driver of our success in ANZ over decades and is a priority for our US business as we look to grow our network in that region.

We measure the outcomes of our learning and development programs and track employee engagement, turnover reduction metrics and other factors, and continue to see positive results.

“I now understand the way Reece works; I know there is full support from everyone in Reece.”

Branch Fundamentals participant, ANZ.

Key outcomes in FY24

- ‘Career roadmaps’ developed for critical roles in our US business.
- Launched a new leadership program for Branch Managers in the US.
- Continued to grow our successful FL@RE, Leader360 and Lead Beyond programs in ANZ.
- Continued to grow our successful Emerging Leader, Reece U and IMPACT graduate programs in the US.
- Significant ongoing reduction in turnover of employees in the first 12 months resulting from new starters completing Branch Fundamentals program in ANZ.

CASE STUDY

FL@RE

Our Female Leaders At Reece Excel program was first launched in 2021 and focused on networking for women across the organisation, the acceleration of talent and visibility of female leaders. It has two elements – one larger scale ‘opt in’ online program which saw almost 300 females take part in FY24, and a second more in depth program where a number of potential female leaders are selected for coaching and development to reach more senior roles.

“Fl@re confirmed that I know who I am and what I stand for and how this can benefit me in the workplace. It identified my strengths and weaknesses, and the one on one coaching has helped me see where I can improve to be better for my team and others around me.”

– FL@RE participant

64%

IMPACT graduate program participants received a promotion in FY24.

180k

FY24 learning experience platform course completions (ANZ).

03. Do the right thing

Inclusion, diversity and reconciliation

Inclusion and diversity

At Reece, we know that actively focusing on building a more inclusive and balanced workforce will drive higher levels of innovation, customer satisfaction and sustainable business performance.

Gender diversity remains our biggest challenge as a business. Our industry is predominantly male, with around 1% of plumbers in Australia being female. We do better than this, but still have a lot of work to do.

This is a long term process that requires genuine leadership commitment, action and measurement. We have a Gender Equality Action Plan in ANZ which we are evolving into a broader inclusion strategy that will help inform and shape how we improve inclusion, gender equality and equal opportunities for all team members at Reece.

We recognise that inclusion is broader than gender diversity and have a number of Reece employee networks established to champion and inform inclusion throughout Reece, including Reece Pride and the Women@Reece

22%

Female Group representation
(FY23: 22%)

27%

Female key management
(FY23: 27%)

working groups, which are co-sponsored by members of our ANZ management team. We also support gender diversity in our industry through various trade initiatives.

In our US business we continue to prioritise building a strong and inclusive culture and learn from progress in ANZ.

Reconciliation

We recognise Reece has a role to play in reconciliation in Australia. We are in the final year of our current Innovate Reconciliation Action Plan (RAP), and through this process, know we have more work to do to deliver on these commitments genuinely and authentically.

We reflected if as an organisation we were really listening to First Nations team members, and we recognised that we needed to do better. This led to the establishment of a First Nations Advisory Group that works alongside the RAP working group to guide the RAP actions.

We believe Reece can play a role in supporting employment and education pathways and we have increased our investment with the Clontarf Foundation, an organisation

dedicated to supporting First Nations students through schooling to year 12. In FY24 through the partnership, over 270 Clontarf Foundation students visited our branches, seven students engaged in Reece's ASbA program, and 15 students took part in work experience.

We are also committed to working with First Nations organisations and communities to improve access to clean water, through the Reece Foundation. Projects included providing the Karrkad Kanjdji Trust with a grant to build new, purpose-built school toilets for the Nawarddeken Academy in Arnhem Land. More information is available at reecefoundation.charity.

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Reducing waste

The construction and trade industries can be high contributors to landfill waste, and we know that tackling this is a priority topic for many of our stakeholders, including our team and customers.

Our aim is to start within our own operations by finding avenues for our team and customers to improve waste diversion. Beyond that, we also want to tackle the larger issue of reducing waste at the source by working with suppliers on product packaging and increasing product circularity. We are still at an early stage of testing and learning in this space, with our Australian network continuing to trial initiatives.

The team is focused on setting up the fundamentals needed in each branch to divert waste, understanding how to capture the current recycling initiatives within our business and importantly challenge and educate our people to achieve the highest diversion possible. We are working through solutions and different approaches, and our New Zealand network and United States region will be guided by our findings.

Key activity in FY24:

- Awarded a Victorian government grant supporting the development of circular economy initiatives.
- Conducted a waste audit across 10 sites to understand the key waste materials from our operations.
- Worked to understand and measure key waste materials, with a trial to commence in FY25 across 15 branches to test and learn new recycling and diversion opportunities in areas such as timber, plastic and cardboard recycling and reduction of single use plastics.

19%

waste diversion rate
(FY23: 19%)

CASE STUDY

Trialling heavy duty EV at Reece

In FY24 we continued trialling electric vehicles in our network, with a medium duty vehicle in California. Given the bulky nature and weight payload of Reece products and the volume of deliveries conducted in a day by a Reece vehicle, we found that current commercial EVs do not meet Reece's needs. We would require two EVs to fulfil the role of one conventional vehicle after taking into account lower range, charge availability and charge time. We continue to trial new vehicles as they enter the market, but given our vehicle fleet is company owned and takes time to transition, our timeframes need to adjust to reflect this.

105m+ kms

travelled by Reece fleet in FY24.



0.2%

reduction in our carbon footprint from FY21 baseline.

Reducing our carbon footprint

In 2021, we set out ambitious targets to reduce our carbon footprint, knowing that we needed to do further work to determine the roadmap to reduction. We knew this would be a challenge, particularly for Scope 1 emissions which are heavily driven by our company owned vehicle fleet, which is critical to the delivery of our customer promise.

We've continued learning since that time. Having undertaken detailed modelling during FY24 of current and future expected commercial electric vehicle fleet options we now know that the transition is going to take us longer.

We are committed to reducing our footprint in a practical and commercial way, but the speed to achieve this will be dictated by technology and infrastructure. As a result we have reset the timeframe for delivering Net Zero in our business from 2040 to 2050. We remain committed to delivering the 35% reduction in our Scope 2 emissions by 2030.

Emissions reduction aspirations



35%

reduction from FY21 Scope 2 baseline by 2030.



Net zero

Scope 1 and 2 emissions by 2050.

Key progress in FY24

- Finalised in depth modelling of solar, renewables and fleet to enable a detailed pathway to emissions reduction.
- Rolled out solar PV panels across 55 Australian sites.
- Our scope 1 and 2 emissions decreased by 2.4% from FY23, despite our network growing 2% and kilometres travelled remaining consistent year on year. See page 31 for more detail.

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Key progress in FY24

- Refreshed our ANZ supplier risk assessment framework based on a 3 stage approach; tier classification, risk assessment and controls.
- Continued building internal expertise and awareness with an external training provider.
- Grievance mechanism reviewed by an external provider for areas of improvement.
- Improved the accessibility of our whistle-blower hotline.

Ethical supply chain

Our approach to modern slavery is guided by our purpose and values and our approach to building long term partnerships with our suppliers. We recognise our responsibility to ensure that our business operations and those of our suppliers are free from modern slavery and we are committed to upholding high standards of integrity.

In FY24 we have been evolving our focused program to assess and mitigate risks of modern slavery within our supply chain. This program is designed to protect vulnerable workers and ensure that ethical labour practices are followed at every level of our operations. Central to this effort is our supplier risk assessment process, which allows us to identify and prioritise suppliers based on their risk exposure.

We seek to work with suppliers who share our values and demonstrate a strong commitment to ethical conduct. Our risk assessment considers various factors such as geography, industry sector, and workforce demographics, enabling us to apply tailored interventions where necessary. This proactive approach ensures that we maintain relationships with partners who operate with integrity and transparency.

To reinforce this, we have developed internal training programs aimed at educating our employees, particularly those involved in procurement and supplier management, on identifying the signs of modern slavery and understanding the actions they can take to prevent it. We have also implemented a grievance mechanism process, providing a confidential and accessible channel for employees, suppliers, or other stakeholders.

Our approach to modern slavery is set at management level, endorsed at Board level and devolved to the business to manage and deliver. Our modern slavery working groups are made up of cross discipline team members and led by our Chief Merchandising Officers, who are accountable to our group and regional CEOs on this topic. Modern slavery is also a regular agenda item at our Audit and Risk Committee and is a detailed item on our risk register.

Our strategy to manage the risk of Modern Slavery is structured under three focus areas: Prevention, Risk assessment and mitigation, and Remediation.



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Sustainability Disclosures

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1. About this report

The sustainability report covers Reece Limited ('the Group' or 'Reece') and controlled entities as a Group. This report aims to summarise Reece Limited and its subsidiary companies' performance and approach to sustainability in the year ended 30 June 2024. The Group has reported the information cited in this report with reference to the Global Reporting Initiative (GRI) standards. Our carbon emissions are aligned with the Greenhouse Gas (GHG) Protocol for carbon emission reporting. This report should be read alongside our suite of reporting documents, including our 2024 Annual Report, Corporate Governance Statement, Modern Slavery Statement and related sustainability reporting available on the Reece Group website.

The Group's segments are based on the geographical operation of the business and comprise Australia and New Zealand (ANZ) and the United States of America (US). Reece Group is a distributor of plumbing, waterworks, bathroom and kitchen, and HVAC-R (heating, ventilation, air conditioning and refrigeration) products. These products are consistent in both geographic locations.

2. Future developments in sustainability reporting

In September 2024, the Australian Government passed a bill to mandate climate-related financial disclosures and the Australian Accounting Standards Board (AASB) is developing Australian Sustainability Reporting Standards (ASRS) for entities to meet the new requirements. These standards are expected to be aligned with the IFRS Sustainability Reporting Standards and require disclosures under four key pillars: governance, strategy, risk management, and metrics and targets. The Australian standards (AASB S1 and S2) will apply to the Group from the financial year ended 30 June 2026.

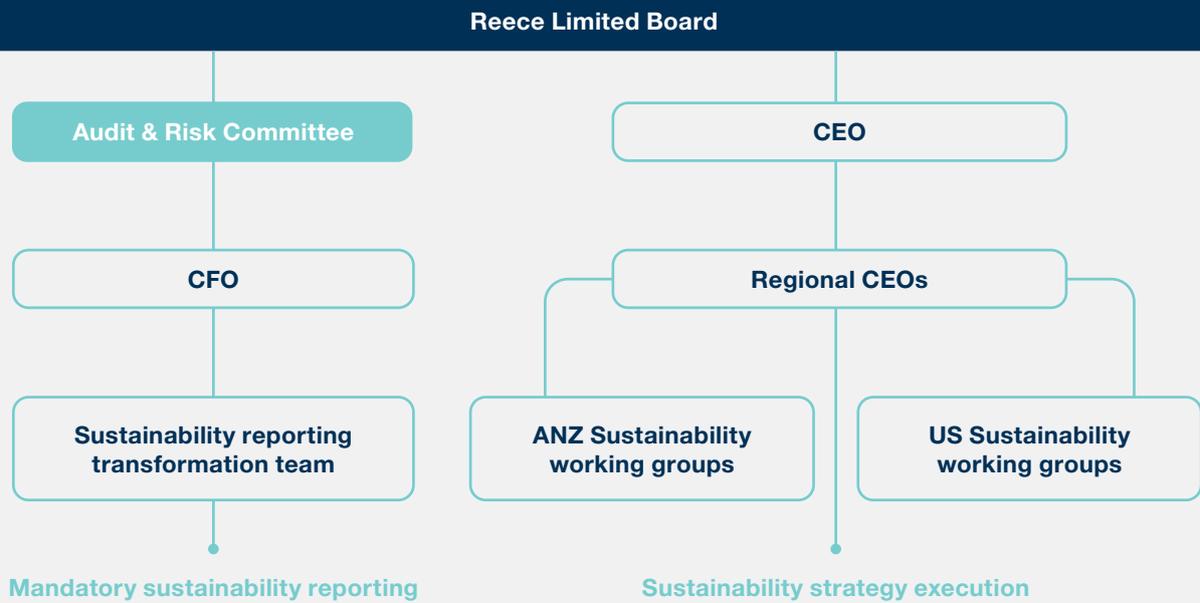
We have set up a sustainability reporting transformation team encompassing cross-disciplined teams to work towards FY26 mandatory sustainability reporting. During FY24, we have performed a gap analysis against the incoming sustainability reporting standards and have made headway closing gaps in preparation for FY26. We also undertook a detailed analysis of our sustainability risks and opportunities across the Group. We completed a range of engagements across our business to identify risks and opportunities and, with the help of an external consultant, conducted further analysis and modelling on the impact of these to our business under various temperature and timeframe scenarios. We are currently reviewing our key climate-related risks and opportunities to assist us to understand and take action to strengthen our climate resilience.

Scope 3 GHG emissions

In FY23 we began a process to quantify our Scope 3 emissions by determining our measurement approach in alignment with the GHG protocol. In FY24 we assessed the Scope 3 emissions for our Australia region, and we will now expand this assessment to cover NZ and the US. These disclosures will be aligned to the AASB requirements and disclosed in FY27.

3. Sustainability governance

We have a decentralised business model which empowers our people to take action on sustainability. The Reece Limited Board has oversight of and input into our sustainability strategy. Our Group and Regional CEOs are responsible for overseeing the strategy. Cross-disciplined teams across Reece are responsible for executing programs of work through their existing teams, or through specific working groups such as Modern Slavery, Sustainable Operations and a range of social impact working groups. Insights are also shared across regions through regular contact between the ANZ and US Sustainability working groups.



4. Sustainability metrics

Build a better world

4.1 Strength of our trade industry

This section outlines our trade industry performance data in the current year and prior year.

Mates in Construction	FY24	FY23
Number of counselling hours provided to the trade in Australia	1,217	626
Number of Reece New Zealand MATES in Construction accredited branches	16	8
Reece New Zealand team members who are MATES trained	68%	69%

Australian School-based Apprenticeships (ASbA)	FY24	FY23
Number of commencements across Reece	255	237
Number of completions across Reece	118	139

Sustainability disclosures

4.2 Sustainable products and solutions

This section outlines Reece's sustainable products and solutions performance data in the current year and prior year.

Sustainable products	FY24	FY23
WELS 0-1 star rated products phased out in Australia	100%	100%
WELS 2 star rated products phased out in Australia	82%	N/A
Sustainable services	FY24	FY23
Number of tools Reece serviced for customers in Australia	8,134	9,260

4.3 Clean water

The Reece Group Foundation Limited ('Reece Foundation') consulted with its community partners, stakeholders such as Reece, and the Reece Foundation's board of directors to understand the priority needs of communities in need of Water, Sanitation and Hygiene (WASH) solutions and set targets for contributions towards the Sustainable Development Goals (SDGs). Through the delivery of projects and its grants program, the Reece Foundation has made significant contributions to 7 of the 17 SDGs.

A full report of SDG related outcomes will be included in the Reece Foundation FY24 Annual Report at reecefoundation.charity. Reece Foundation data outcomes reflected in this report are verified and aligned to the wellbeing framework of Huber Social, independent impact measurement partner of Reece Foundation.



Reece Foundation	FY24	FY23
Reece product donated to Reece Foundation	\$183,455	\$147,000
Major projects delivered by Reece Foundation	3	2
Hours contributed to Reece Foundation by volunteer trades	2,317	2,234
Number of people enabled to access clean water and sanitation	32,250	19,915
Volunteering opportunities for Reece customers	22	23

Be our best

4.4 Health and safety

This section outlines Reece's health and safety performance data in the current year and prior year.

Safety	FY24	FY23
Fatalities – Group	0	0
LTIFR* rate – ANZ region	8.5	8.9
LTIFR* rate – US region	2.5	3.3 [^]
SafeR walks [#] completed – ANZ	37,224	27,806

*Lost time injury frequency rate is calculated as total LTIs/total hours worked x 1,000,000. This formula is determined by Safe Work Australia.

[^]The FY23 US LTIFR calculation has been revised from 2.1 to 3.3 in the current report, updated for the correct number of hours worked during the year.

[#]SafeR walks are inspections conducted by our ANZ branch team members that enable our teams to take a proactive approach in identifying and mitigating hazards that may lead to incidents.

In FY24, our ANZ LTIFR was 8.5, down from 8.9 in the previous year and our US LTIFR was 2.5, down from 3.3 in FY23. Our LTIFR result differs between our regions due to differences in return to work procedures and processes, specific to the regulatory environments that we operate in.

Following an increase in our ANZ region's LTIFR last year, we undertook significant initiatives during FY24 that led to the rate reduction to 8.5 (FY23: 8.9). We achieved this improvement through comprehensive training programs and focusing on lead indicators. Additionally, we conducted an extensive safety review across the ANZ region, endorsed by our Audit and Risk Committee. As a result of these efforts, we have seen positive changes, including marked improvements in key lead indicators such as SafeR Walks and Hazard and Near Miss reporting.

Looking forward, addressing critical risks across both our regions remains a top priority. In FY25, we plan to launch a new Critical Risk Control framework in ANZ aimed at significantly reducing critical incidents in our business. In the US, our Safety team will work closely with Branch Managers to further enhance safety visibility across our network, foster greater awareness of safety protocols, and encourage further Hazard and Near Miss reporting.

Sustainability disclosures

4.5 Leadership and development

This section outlines our ANZ region's leadership and development performance data in the current year and prior year. All ANZ team members are required to complete the below training program on our bespoke online Learning Experience Platform (LXP) annually from the time they are onboarded.

ANZ region training completion rates	FY24	FY23
Anti-bullying and harassment	97%	98%
Anti-competitive conduct	93%	98%
Consumer protection and unfair business conduct	92%	97%
Equal employment opportunity	97%	98%
Workplace health and safety	98%	N/A
Chain of responsibility	98%	N/A
Cyber security and data protection	98%	N/A
Privacy	98%	N/A

ANZ region LXP program	FY24	FY23
Number of courses completed	179,970	181,090

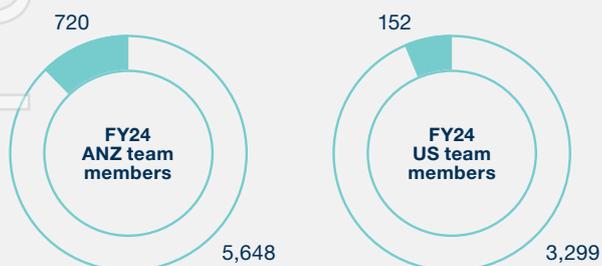
Do the right thing

4.6 Inclusion and diversity

This section outlines Reece's inclusion and diversity performance data in the current year and prior year.

Team members:

Head count	FY24	FY23
Employees	8,947	9,034
Contractors	872	834



○ Employees ● Contractors

Team members by contract type and gender

Employee head count	FY24				FY23			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Full-time	1,612	6,614	70	8,296	1,635	6,677	57	8,369
Part-time	325	230	11	566	320	241	14	575
Fixed-term	15	9	2	26	10	16	2	28
Casual	14	43	2	59	12	48	2	62
Total	1,966	6,896	85	8,947	1,977	6,982	75	9,034

Team members by country and gender

Employee head count	FY24				FY23			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Australia	1,371	3,936	77	5,384	1,366	4,055	74	5,495
New Zealand	75	189	-	264	73	201	-	274
United States	517	2,748	1	3,266	538	2,726	1	3,265
Other	3	23	7	33	-	-	-	-
Total	1,966	6,896	85	8,947	1,977	6,982	75	9,034

Team members by age group and gender

Employee head count	FY24				FY23			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Less than 30	661	1,916	24	2,601	644	1,955	19	2,618
30 – 49	910	3,158	31	4,099	941	3,201	35	4,177
50 and above	395	1,822	23	2,240	392	1,826	21	2,239
Not disclosed	-	-	7	7	-	-	-	-
Total	1,966	6,896	85	8,947	1,977	6,982	75	9,034

*Refers to team members who identify as a gender other than female or male, or prefer not to identify.

Sustainability disclosures

Team members by category and gender

From FY24, we have reported our Australian workforce management statistics to the Australian Government's Workplace Gender Equality Agency (WGEA), which can be accessed via the WGEA website. Reporting in the table below applies to Reece Group and utilises the same categories of employees as WGEA definitions for comparability.

Employee head count	FY24				FY23			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Board [^]	2	5	-	7	1	5	-	6
Key Management/ Head of business (CEO)	18	48	-	66	16	42	-	58
Senior Management	20	129	-	149	22	117	-	139
Managers	331	1,640	10	1,981	354	1,927	12	2,293
Team members (non-Manager)	1,595	5,075	75	6,745	1,584	4,892	63	6,539
Total[#]	1,966	6,896	85	8,947	1,977	9,682	75	9,034

*Refers to team members who identify as a gender other than female or male, or prefer not to identify.

[^]Karen Penrose was included as a female Board member in FY24. Ms Penrose resigned post year end, effective 16 September 2024. As the composition of the Board continues to evolve, Reece will prioritise adding skills, experience and diversity to the Board to support the execution of our 2030 strategy and long-term financial success.

[#]Peter Wilson, as both CEO and Board member, is counted as both a male Board and Key Management employee in both FY24 and FY23. Consequently, the Male Group Total, and the Overall Group Total for both financial years are reduced by 1 to account for this dual role.

4.7 Reducing waste

This section outlines Reece's waste performance data in the current year, prior year and baseline year. In FY24, we generated 21,185 metric tonnes of waste, with 19% diverted from landfill. In FY23 we saw a 3.5% increase in our total waste, which is mostly attributed to our network increase.

We know we have work to do to uplift our landfill diversion rate. We are working to understand how we can best do so, leading with our ANZ operations.

Waste (metric tonnes)	FY24	FY23	FY22	FY21 (baseline)
Landfill	17,080	16,590	16,956	17,394
Diverted from landfill	4,105	3,875	3,747	3,843
Total	21,185	20,465	20,703	21,237
Diversion Rate	19%	19%	18%	18%

4.8 Reducing our carbon footprint

In FY24, the Group’s Scope 1 and 2 greenhouse gas emissions were 63,996 tonnes of carbon dioxide equivalent (tCO₂e-), calculated on market-based methodology to reflect our use of renewable energy. This represents a 2.4% decrease on FY23, and a 0.2% decrease on our FY21 baseline.

Across the Group, we grew our network by 2% in FY24. Fuel use was flat compared to the prior year, as kilometres travelled by our fleet remained consistent with FY23. Our electricity consumption was also flat year on year, while we realised a benefit upon conversion to tCO₂e- due to the broader decarbonisation of the grid.

The tables below outline Reece’s decarbonisation performance data since our baseline year.

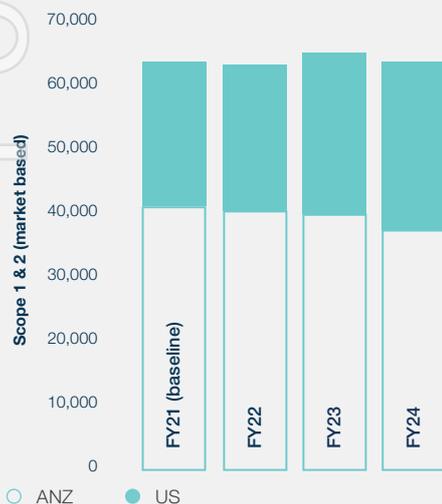
Energy consumption (GJ)	FY24	FY23	FY22	FY21 (baseline)
Natural gas	32,103	31,246	40,837	40,680
Electricity	189,582	188,662	184,317	179,809
Fuel use	525,976	527,609	484,835	481,561
Total	747,661*	747,518	709,989	702,050

*In FY24, 4% of our Group energy consumption was estimated due to data gaps.

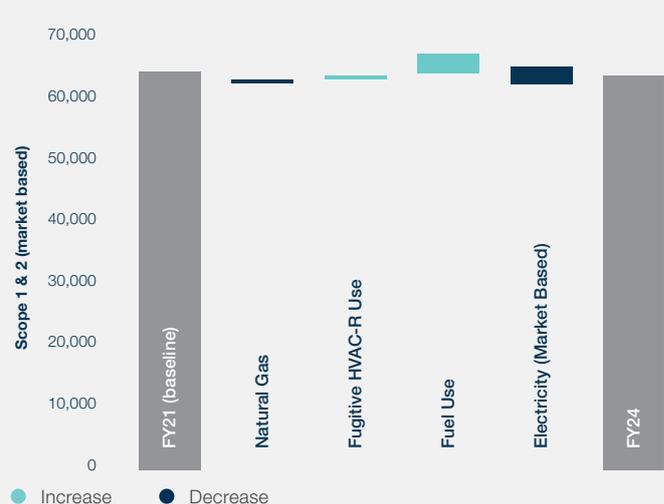
Emissions (t-CO ₂ e-)	FY24	FY23	FY22	FY21 (baseline)
Scope 1	39,623	39,891	36,567	36,238
Scope 2 market-based	24,373	25,695	27,216	27,865
Scope 2 location-based	26,299	26,374	29,322	29,074
Total scope 1 and 2 (market-based)	63,996	65,586	63,783	64,102

Since publishing our inaugural sustainability report in FY22, we have worked hard to increase our understanding of how we can best reduce our emissions profile to create lasting change. The following diagrams show our GHG emissions by region since our FY21 baseline, and the changes in our Group emissions over this time.

GHG emissions (tCO₂e-)



Change in GHG emissions (tCO₂e) since baseline



Sustainability disclosures

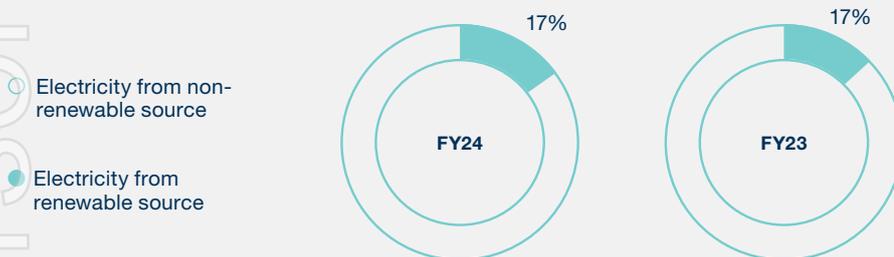
Emissions intensity

Emissions	FY24	FY23	FY22	FY21
Scope 1 & 2 emissions (tco2e-)	63,996	65,586	63,783	64,102
\$m revenue (AUD)	9,105	8,840	7,654	6,271
tco2e- per AUD \$m revenue	7.0	7.4	8.3	10.2

Note: Group intensity calculation is based on Group revenue denominated in AUD and is therefore impacted by foreign exchange.

Renewable electricity

Electricity	FY24	FY23	FY22	FY21 (baseline)
Number of renewable certificates sacrificed on Reece's behalf	1,492	1,511	-	-
Total electricity (kWh)	52,661,658	52,406,659	51,199,053	49,704,970
Total electricity from renewable sources (kWh)	8,810,793	8,687,972	6,969,571	6,612,746



Solar energy

In FY22 we kicked off a significant project to understand how we could roll-out solar across our sites in Australia. In FY24 we are well and truly on our way, having now rolled out 131 solar photovoltaics (PV) across our Australian network and are looking at the potential opportunity for our US region. In New Zealand we have an existing renewable energy partnership, however will continue to consider solar into the future.

Solar PVs	FY24	FY23
Number installed	55	-
Total as at 30 June	131	76

4.9 Ethical supply chain

For information regarding our ethical supply chain performance during FY24, refer to the Group's Modern Slavery Statement which will be released in December 2024.

GRI Content Index

Statement of use: Reece Limited has reported the information cited in this GRI content index for the period 1 July 2023 - 30 June 2024 with reference to the GRI Standards.

GRI 1 use: GRI 1: Foundation 2021

Key

AR:	2024 Annual Report	MSS:	2023 Modern Slavery Statement
SR:	2024 Sustainability Report		All documents available on the Reece Group website
CGS:	2024 Corporate Governance Statement		

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Reece Limited is a publicly listed company; Headquarters - 57 Balmain Street, Cremorne, Victoria, Australia. Our operations are located in Australia, New Zealand and the United States of America.
	2-2 Entities included in the organisation's sustainability reporting	AR: page 89
	2-3 Reporting period, frequency and contact point	Reporting period for SR and AR: July 1 2023 - June 30 2024; Reporting Frequency: Annually Contact: investor.relations@reece.com.au
	2-6 Activities, value chain and other business relationships	MSS: pages 10-11*
	2-7 Employees	SR: pages 29-30 (FTE figures reported as at 30 June).
	2-8 Workers who are not employees	SR: page 28
	2-9 Governance structure and composition	CGS: pages 5-7
	2-10 Nomination and selection of the highest governance body	CGS: pages 5-7
	2-11 Chair of the highest governance body	CGS: page 10
	2-12 Role of the highest governance body in overseeing the management of impacts	CGS: page 7*
	2-13 Delegation of responsibility for managing impacts	SR: page 25
	2-14 Role of the highest governance body in sustainability reporting	SR: page 25
	2-15 Conflicts of interest	CGS: page 7
	2-16 Communication of critical concerns	CGS: page 20
	2-17 Collective knowledge of the highest governance body	SR: page 25
	2-18 Evaluation of the performance of the highest governance body	CGS: page 13*
	2-19 Remuneration policies	AR: pages 34-48
	2-20 Process to determine remuneration	AR: page 36
	2-21 Annual total compensation ratio	AR: page 39
	2-22 Statement on sustainable development strategy	SR: pages 4-5*
	2-23 Policy commitments	CGS: page 20*
	2-24 Embedding policy commitments	Embedding of different policy commitments are outlined across multiple reports including AR, CGS, MSS, SR*
	2-26 Mechanisms for seeking advice and raising concerns	To support all persons, our employees and suppliers can anonymously raise concerns of misconduct through our external whistleblowing service PIPE UP. This can be accessed on the below online portal or via phone, both of which are available from 9am to 12 midnight (AEST). Portal - https://secured1.yourcall.com.au Code: PIPE1234 Phone Number: 1300 790 228

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GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021 cont.	2-27 Compliance with laws and regulations	During the reporting period, Reece Limited and its subsidiaries have not identified any instance of non-compliance against applicable laws and regulations.
	2-29 Approach to stakeholder engagement	SR: pages 4-5, CGS page 18
	2-30 Collective bargaining agreements	None
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR: pages 8-9
	3-2 List of material topics	SR: pages 8-9
	3-3 Management of material topics	SR: page 25
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR: page 31
	302-3 Energy intensity	SR: page 32
	302-4 Reduction of energy consumption	SR: page 31
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR: page 31
	305-2 Energy indirect (Scope 2) GHG emissions	SR: page 31
GRI 306: Waste 2016	306-3 Waste generated	SR: page 30
	306-4 Waste diverted from disposal	SR: page 30
	306-5 Waste directed to disposal	SR: page 30
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR: page 16
	403-2 Hazard identification, risk assessment, and incident investigation	SR: page 16
	403-3 Occupational health services	SR: page 16*
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR: page 16*
	403-5 Worker training on occupational health and safety	SR: page 16*
	403-6 Promotion of worker health	SR: page 16*
	403-9 Work-related injuries	SR: page 27*
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	SR: pages 17
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR: pages 29-30
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	MSS: pages 10-13*
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No notifiable breaches.

NB: * denotes partial disclosure against Standard.

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