

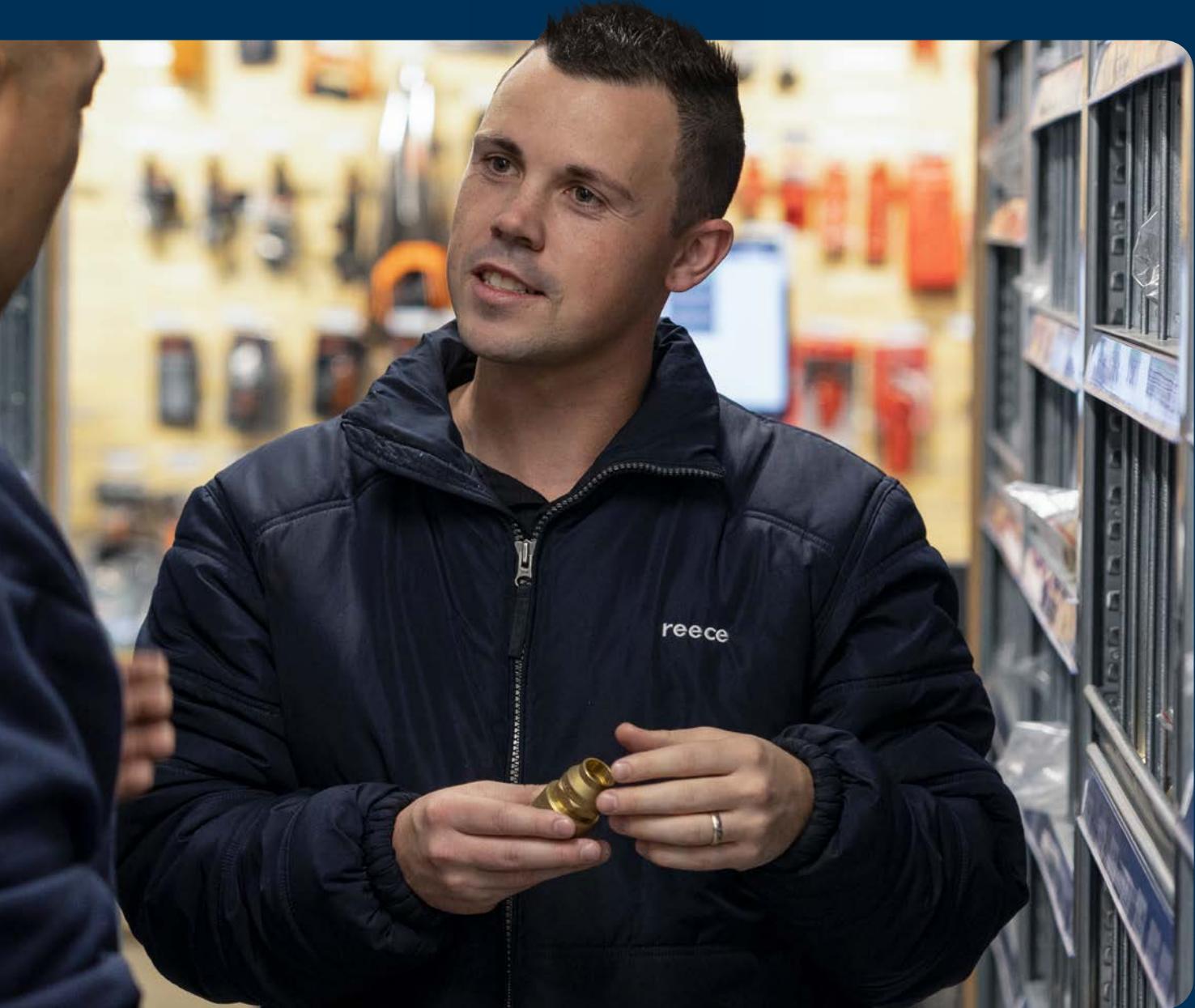
Modern Slavery Statement

– 2022
2023





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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.



About this report

This is a joint statement by Reece Limited ('Reece' or 'the Group') under the Australian Modern Slavery Act 2018, for the period 1 July 2022 to 30 June 2023. The report covers Reece and its controlled entities which have been engaged and consulted in the development of this report and are listed in Appendix 1 (together, the Group). It outlines the approach the Group took to identify, assess, mitigate and remediate modern slavery risks in its operations and supply chain during the financial year ended 30 June 2023 (FY23).

The statement was approved by the Reece Limited Board on 13 December 2023. It should be read in conjunction with our 2023 reporting suite, including our Corporate Governance Statement, Annual Report and Sustainability Report.



Letter from the CEO

Overview

Reece has always sought to do the right thing as a business over our 100 year history.

Our approach to modern slavery is no different. We are guided by our purpose and values and our long-term approach to building partnerships with our suppliers.

In recent years we have been formalising and adapting our processes and ways of working to help promote and maintain an ethical supply chain. While we have made some progress, we know there is always more work to be done.

In the coming years, we will continue to work together with all our partners towards our ambition of providing a safe place of work for those in our direct business and beyond.



Peter Wilson
Group Chief Executive Officer
& Deputy Chair

“We will continue to work together with our partners to reduce the risk of modern slavery.”



Reece at a glance

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

Founded

1920

Growth and leadership

100+ yrs

Team members

9000+*

Nationwide footprint in Australia

1997

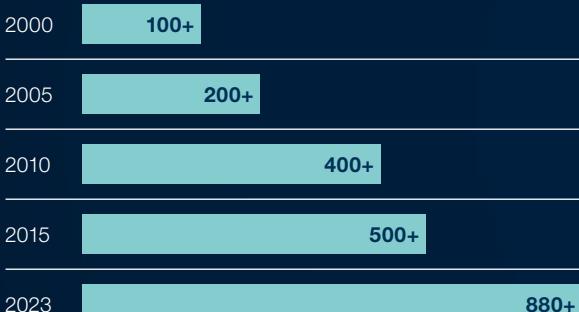
Entered New Zealand

2006

Entered US

2018

Growing our branch network



Our customers

Our business was built on serving the SME trade plumber. Today our customers include:

- SME trade
- Commercial trade
- Large homebuilders
- Civil projects and government bodies
- Commercial developers
- End consumers

An international footprint

ANZ FY23 Revenue

\$3.9b

ANZ branch network

655



Business areas

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

US FY23 Revenue

\$5.0b

US branch network

231



Business areas

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

All figures in this report are in Australian dollars, unless otherwise stated.

*Additional 830 contractors. For a detailed breakdown of the composition of our workforce, please see our 2023 sustainability report.

A trusted brand
with a differentiated customer proposition

A diversified business
by geography, segment, customer and end market

Clear track record
100 years of market leadership

A resilient model
weighted to less cyclical repair and re-model market

Long-term vision
stable ownership supports enduring approach

Operating in attractive markets
positive long-term fundamentals

Our purpose and values

Purpose

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

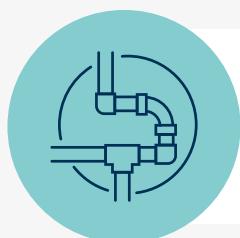
Values



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



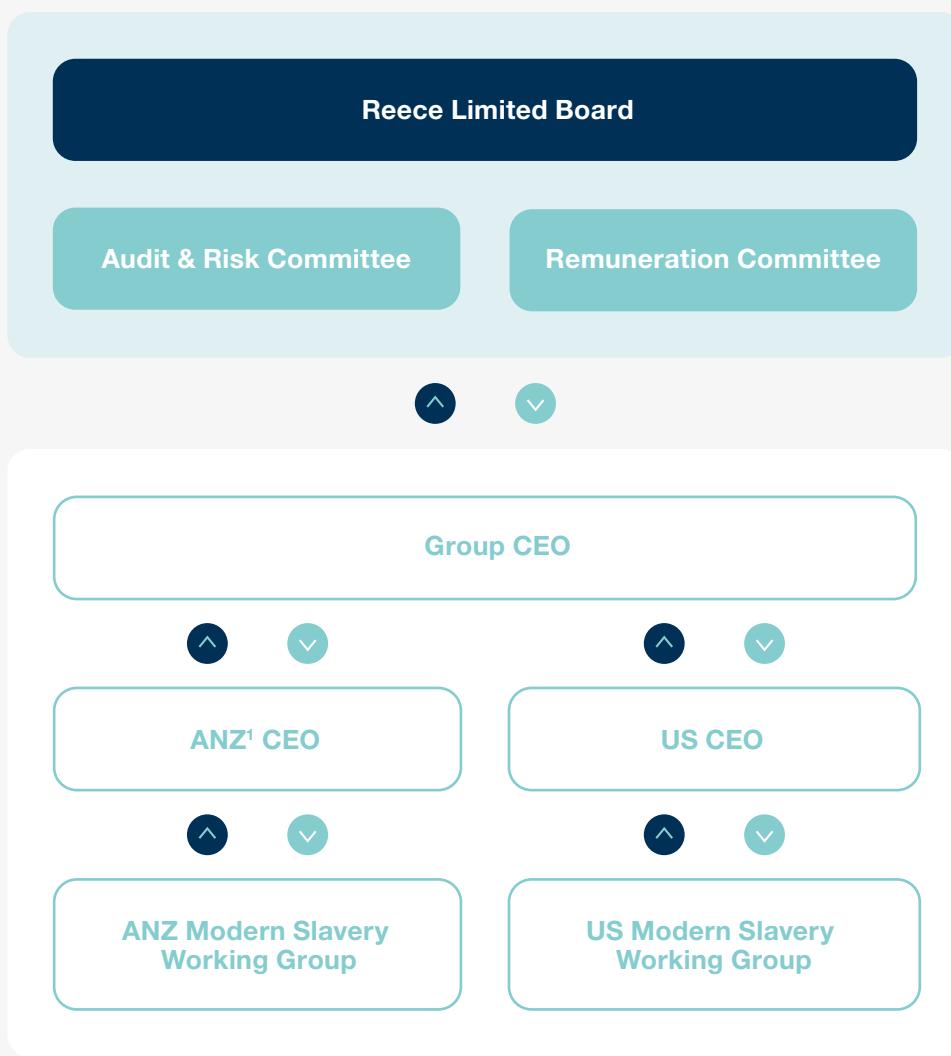
Write the next chapter

Modern slavery governance

Our approach to modern slavery is set at management level, endorsed at Board level and devolved to the business to manage and deliver.

As a decentralised business, 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.

Governance at Reece



¹Australia and New Zealand

Our supply chain



We have a large and complex supply chain that underpins our success as a business.

Our merchandising and operations support teams are responsible for the procurement of our goods and services and appointing approved suppliers. Procurement activity may also be carried out by operational teams directly.

We source domestically in our home markets and internationally. A significant quantity of supplier manufacturing takes place offshore. Our business has been built over 100 years off the back of deep and long-term relationships with suppliers, which promotes a partnership approach and allows us to better understand potential modern slavery risk. We are also in a market leadership position, in our ANZ market which increases our ability to take an active position on this important topic.

In the US, we have newer supplier relationships, having operated in the region for five years, but our supply chain is more heavily weighted to domestic suppliers, helping to lower our modern slavery risk.

Our supply chain falls into four categories:

1

Products for sale

like plumbing, bathroom, kitchen, heating and cooling and pipe products for residential, large volume home and civil projects.

3

Products to support group operations

IT equipment, electronics, and software to support Reece Group operations, fleet and retail store fit out requirements.

2

Services for sale

technology, financial or learning platforms and services to support our trade customers.

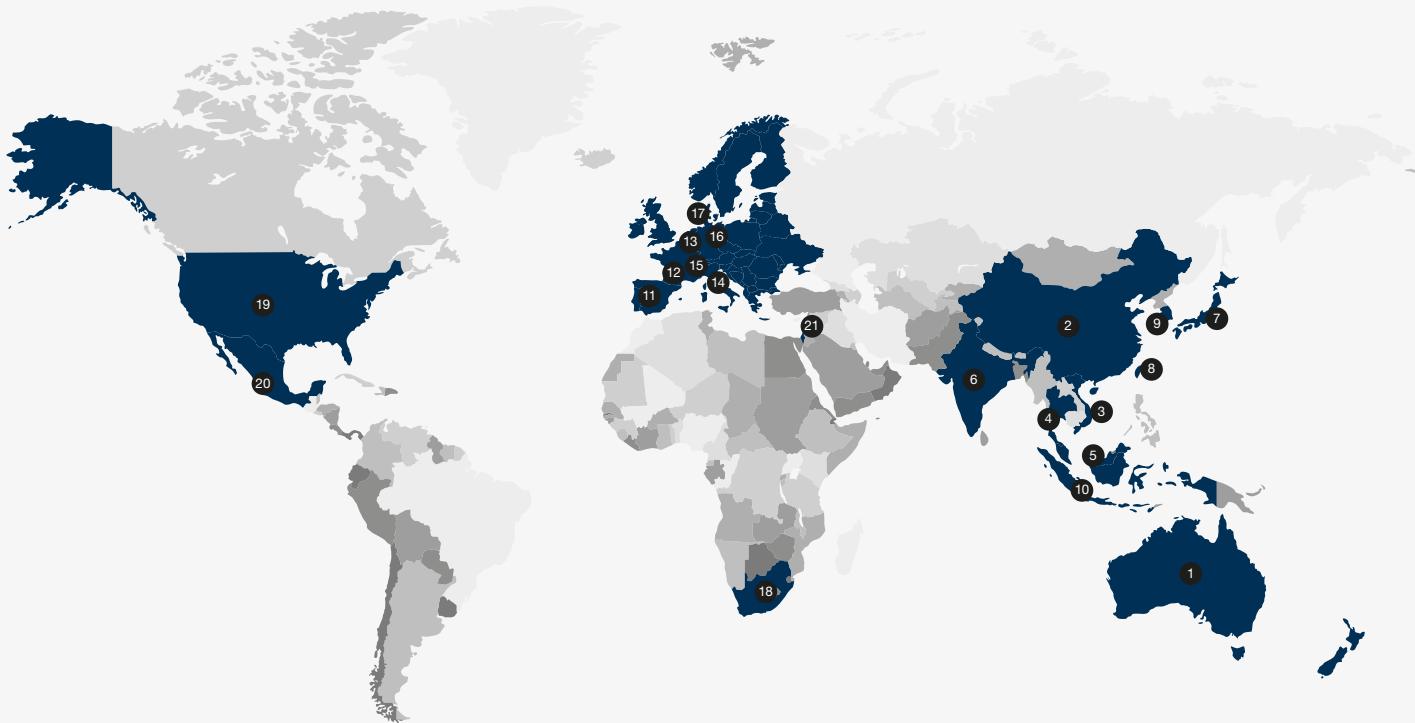
4

Services purchased to support operations

including cleaning services or consulting services.

Supplier locations: products for sale

- | | | | |
|-------------|--------------|-----------------|-----------|
| 1 Australia | 7 Japan | 13 Germany | 19 USA |
| 2 China | 8 Taiwan | 14 Italy | 20 Mexico |
| 3 Vietnam | 9 Korea | 15 Switzerland | 21 Israel |
| 4 Thailand | 10 Indonesia | 16 Poland | |
| 5 Malaysia | 11 Spain | 17 Denmark | |
| 6 India | 12 France | 18 South Africa | |



Modern slavery risk

As a complex global distribution business operating across multiple countries, we know that we are exposed to human rights risks.

To help us better understand and monitor changes in these risks, we:

- Monitor external factors that can exacerbate risks in affected geographies, such as geopolitical conflicts and extreme climate events.
- Consider any changes to regulatory frameworks, such as the US Uyghur Forced Labor Prevention Act, EU proposed Forced Labour Ban, the Australian Government Modern Slavery Act 2018 and California Transparency in Supply Chains Act 2015.
- Screen new suppliers before agreeing to work with them.
- Conduct ongoing desktop risk assessments of our supplier base.
- Conduct overseas supplier audits.
- Review modern slavery statements or public disclosures produced by peers and suppliers.
- Consider guidance from subject matter experts who we engage on an ad-hoc basis.



While we know we cannot eradicate modern slavery risk, our best defence is our long-term partnership approach with suppliers.

Risks in our operations

Approximately 92 per cent of our workforce are employed directly through Reece under the relevant laws in their regions, providing secure work for our team. The remainder are contractors who work primarily in our distribution network and technology teams and are largely based in Australia.

We have a high level of direct oversight over our workforce and operations allowing us to instil our purpose and values led culture and enforce policies and controls that protect from harm. As a result, we consider risk of modern slavery in our team to be low.

We are alert to the potentially higher human rights risks for our contractors operating in certain geographies, but note that we seek to maintain a high level of direct oversight.

From time to time we conduct strategic bolt-on acquisitions. When this happens, we conduct thorough due diligence processes across many aspects of the business, which would include looking at operational practices or visiting sites, for example. Post-acquisition, we work with the company to incorporate the Reece ways of working, including upholding the standards we expect within our direct operations and supply chain.

Risks in our supply chain

Certain product and service categories pose specific risks in our supply chain, due to being associated with industries which have large base-skill or outsourced workforces, or those which are at high risk of dangerous or substandard working conditions, exploitation or human rights violations. Categories may include:

- garments, including merchandising apparel and uniforms
- cleaning and facilities services
- construction
- electronics, including sub-components of hot water and HVAC products
- products containing high-risk commodities such as timber, copper and brass

The majority of our stock suppliers specialise in assembly or finalisation of finished product or manufacturing from purchased raw materials. Deeper within our supply chain, the extraction of raw materials and lower end manufacturing presents a greater risk.

In FY24 we will undertake a review of our current risk identification methodology to identify any opportunities for improvement.

Managing modern slavery risks

In FY23 we revisited and defined our focus areas for the next 3 years to ensure we can have the greatest impact in reducing modern slavery risk.

Prevent

We are focused on ensuring we are setting up our business in a way that minimises modern slavery risk. We are focussed on equipping our team to identify risk, for example, prior to a new supplier coming on board. We also seek to implement systems, processes and protocols within our operations that minimise the likelihood of modern slavery occurring.

Training

Since the commencement of the Australian Modern Slavery Act 2018, we have held a number of training sessions on modern slavery at different levels of the business, including a workshop with The Freedom Hub in FY23 for team members across merchandising, legal, procurement and sustainability.

In FY24 we will be developing a compulsory modern slavery training program for relevant team members, with a learning module tailored to our specific operations. We will also continue with a deeper and more targeted education roadmap for key internal stakeholders in relevant supply chain functions and beyond.

Processes and protocols

Our current focus areas include:

- Embedding modern slavery risk management as a non-negotiable into all market engagements.
- Ensuring all new supply engagements include our modern slavery expectations.

In FY23 we focused on our non stock procurement category to build out processes and continue to make improvements in our approach. In FY24 we will build on these processes and practices, monitor our supplier compliance and begin to incorporate learnings in our stock categories.

Our procurement team are also actively working to consolidate non-stock suppliers. In FY23 we conducted our first comprehensive consolidation project in a high risk category and through this process ensured selected suppliers had appropriate controls in place to minimise the risk of modern slavery in the supply chain.

1

Prevention

Training our team to identify risks and ensuring our modern slavery protocols and processes are set up to ensure risk is minimized from the outset.

2

Risk assessment and mitigation

Continuing to expand our activities focused on identifying and mitigating risk in our existing supply chain, to embed a more robust approach.

3

Remediation

Continuing to establish and improve on our approach for responding to modern slavery incidents if they occur.

Looking to the future

During FY23 we had the benefit of engaging with The Freedom Hub, a non-profit organisation who have over 20 years experience working with survivors of slavery in Australia and collaborating with Australian businesses to promote a survivor centred response to modern slavery. Over a number of months, The Freedom Hub helped us carry out a gap analysis on our modern slavery work in ANZ, using the Australian Modern Slavery Act 2018, providing improvement opportunities across all seven criteria. The Freedom Hub also completed a peer benchmarking using the Corporate Human Rights benchmark from the World Alliance, benchmarking 41 data points across five categories: governance, due diligence, remediation, performance and accusation.

We then held a workshop for our modern slavery working group to consider and discuss outcomes of the gap analysis and benchmarking to refine our future activity and approach. As a result, we have now established a blueprint to guide our activities from FY24 to FY27 under the categories of prevention, risk assessment, and mitigation and remediation.



Assess

Supply chain transparency

Understanding our modern slavery risks has been a focus over the past four years. We have learned and adapted our approach and will continue to focus on continuous improvement as we become more advanced in our understanding.

In FY23 we reviewed our existing desktop risk rating for our strategic suppliers, which covers 80% of our supplier spend. Risk was updated based on our latest understanding across the following criteria:

- Geographic risk
- Entity ownership, employment structure and use of subcontractors
- Likely risk based on commodity, product or industry

There were no significant changes to our risk profile. In FY24 we will review our desktop rating approach to ensure we are capturing the most relevant and up-to-date risks.

To expand on our desktop work, we also completed a deeper analysis into a high-risk and high-value category in both stock and non stock categories:

Stock

For this exercise, our merchandising team selected a large strategic supplier that provides products across multiple categories and worked closely with this supplier to better understand how they manage their supply chain for the products that they supply Reece. As part of this process we also conducted a risk assessment of their current operations, utilising our internal compliance team who were guided by the BSCI criteria.

We found that the supplier has a robust prevention framework, with training, communication and documentation practices in place. Collectively we acknowledged that there are opportunities for improvement within their assessment, mitigation and remediation actions. We have set bi-annual meetings for FY24 to check-in on their progress within this space.

Non Stock

Our procurement team carried out a desktop analysis of the cleaning services category to highlight potential risks inherent in the industry, which will form part of the criteria for assessing supplier suitability for a future market engagement. Key potential risks applicable to this industry that were highlighted through this exercise were:

- Subcontractors not being paid in accordance with legal Awards rates
- Suppliers not being adequately tested on appointment for adherence to accepted standards
- Suppliers not being regularly audited for compliance to contractual commitments
- Sub-contractors entrapped into work through debt, freedom of movement or other non-lawful means

When the criteria was applied to our incumbent supplier, it was determined they adequately demonstrate compliance with all relevant expectations, and have extended their commitment to our approach on modern slavery for a further 12 months.



Supplier audits

We currently focus our supplier audits on international suppliers, specifically in Asia, as we see this as our highest potential risk geography and it is a large sourcing market for our business. We have a dedicated overseas sourcing team based in Australia who oversee formal factory and site audits for potential and existing Asian suppliers. Supplier audits are conducted either by Reece personnel or by a third party. Our approach has been developed based on our strong level of understanding of the local market and the long-term partnerships that we have in place, and informed by standards such as ISO 19001, BSCI and Sedex.

All potential Asian suppliers are audited as part of our supplier due diligence process and existing Asian suppliers are formally audited every 2 years to allow for regular monitoring of their commitment to our expectations.

Our audits involve a physical walk-through and review of all working areas of a facility, and broadly cover working conditions, hours and wages, health and safety, presence

of child labour and use of sub-contracting. If issues were identified, our preference would be to work with suppliers on a partnership basis to eradicate risks and work collaboratively to resolve any identified modern slavery risks appropriately before ceasing work with a supplier.

We have also conducted a gap analysis on our current site audit process for suppliers, measuring against BSCI and Sedex methodologies. From these learnings our team developed a new audit process which will be captured in 2024.

Beyond our formal supplier audit process, we also conduct extensive supplier site visits in line with our long-term partnership approach. These visits offer a less formal and more regular opportunity to reinforce expectations.

Mitigate

Our current mitigation approach focuses on establishing awareness with our suppliers and building capability across our teams. In FY23, we continued to focus on raising awareness of modern slavery risks and Reece's expectations throughout our supply chain.

In our stock categories we:

- Continued to engage with suppliers to brief them on our evolving modern slavery expectations and captured information on what they were doing to ensure compliance.
- Developed a rating system for our strategic local suppliers, that assesses how well suppliers were implementing modern slavery practices within their business.
- Re-engaged with strategic local suppliers later in the year to understand their proposed action or response to any issues if identified.
- Reviewed strategic local suppliers actions/ responses and provided recommendations to these suppliers to implement in FY24.

As we continue to expand our understanding of modern slavery, we will keep our supplier expectations guide under review to ensure that we are continuing to encourage positive action.

Remediate

We are committed to working in a constructive way to address, remediate or eliminate any modern slavery risks or incidents identified in our business or supply chain, on a case-by-case basis.

We have a confidential cross region hotline service, PIPE UP, which is available to current and former staff, contractors and the public as part of our Whistle Blower Policy, which covers our own business and our supply chain. The hotline is managed by an independent third party and is available through phone, online, text or email.

This year we developed a grievance mechanism policy and procedures to guide the response. This was communicated internally to ensure our team understood the process, and was made available on our supplier portal alongside the PIPE UP service details.

In FY24 we are committed to increasing the accessibility and awareness of our grievance mechanism.

In FY23, no instances of suspected modern slavery were raised through the hotline service PIPE UP, or through other channels such as direct to Reece staff or identified through audits.

Managing modern slavery in the US

Our US business is following a similar approach to modern slavery, and, while at an earlier stage, has made significant progress and is able to take key learnings from our ANZ business.

Key developments in FY23 included:

- To continue reducing the risk of modern slavery entering our supply chain, in FY23 all new supplier agreements included a requirement to sign a Modern Slavery Declaration.
- Existing suppliers are required to provide documentation to demonstrate their own approach to managing responsible supply chains. This includes Supplier Codes of Conduct and Californian Transparency in Supply Chain Disclosure Statements. In FY23 we worked with our suppliers to increase this documentation, now covering 80% of our FY23 supplier spend.
- Our merchandise team completed general awareness training in FY23 and we will be continuing with this program in FY24.
- We have mapped where 80% of our strategic suppliers are manufacturing to understand geographic risk of modern slavery.
- In addition to overseas audits, as outlined previously during FY23, factory audits were completed for 15 US suppliers. The intention for FY24 and beyond is to ensure our current suppliers are audited on an ongoing basis and all new factories supplying product to Reece US have a factory audit before beginning to supply product for the US.

Assessing our actions



We assess and track the impact of our actions through a modern slavery effectiveness scorecard.

Focus area	Outcome	FY23 Outcomes ANZ	FY23 Outcomes US
Governance	All levels of the business have appropriate oversight of modern slavery risks and business actions to mitigate.	<ul style="list-style-type: none"> - Monthly Working Group Meeting. - Standing agenda item at Audit and Risk Committee. 	<ul style="list-style-type: none"> - Standing agenda item at Audit and Risk Committee.
Risk assessment	<p>Reece is aware of and incorporates salient risks within our supply chain into our broader business risk framework.</p> <p>Reece has oversight over the operational and supply chain risks of our strategic suppliers.*</p>	<ul style="list-style-type: none"> - Supplier risk assessment framework maintained and assessed for variances. - Risk framework utilised to assess potential new suppliers. - Key international suppliers audited. 	<ul style="list-style-type: none"> - Top 80% stock suppliers by spend assessed for salient modern slavery risk. - Modern slavery risks incorporated into broader business risk framework.
Risk prevention	Our people are aware of modern slavery risks, and have the capability to identify and address risks as they occur.	<ul style="list-style-type: none"> - General awareness training conducted covering various business functions hosted by external expert. 	<ul style="list-style-type: none"> - Merchandising Team completed general awareness training.
Risk mitigation	Our suppliers are aware of their responsibilities to identify, mitigate and report modern slavery risks.	<ul style="list-style-type: none"> - All new overseas and existing strategic local suppliers signed Modern Slavery Declaration Form or equivalent. - All new contracts entered within reporting period include updated modern slavery provisions. - Continuous audit programs in place for strategic international (Asian) suppliers. 	<ul style="list-style-type: none"> - Strategic suppliers signed Modern Slavery Declaration Form or equivalent. - All new contracts entered within reporting period that include modern slavery provisions. - Continuous audit programs in place for strategic international (Asian) suppliers.
	We have trusted relationships with experts in the space who support and guide our approach.	<ul style="list-style-type: none"> - Panel of external parties. Legal, industry experts in place. 	<ul style="list-style-type: none"> - Formal approach under consideration.
Remediation	<p>Grievance mechanisms are available to people within our operations and supply chain.</p> <p>Suspicions of modern slavery are investigated and addressed appropriately.</p>	<ul style="list-style-type: none"> - Grievance mechanisms in place. - No instances of modern slavery raised in FY23. 	<ul style="list-style-type: none"> - Formal approach under consideration. - Formal approach under consideration.

*Strategic supplier = Key stock and non-stock supplier, assessed via spend.

Appendix 1

Policies supporting modern slavery

Policy name	Intention
Our supplier expectations guides (ANZ and US)	Outlines what we expect of all the suppliers that we work with, both international and domestic. It gives potential suppliers the opportunity to understand what we stand for as well as provides our existing suppliers an opportunity to grow with us.
Code of Conduct (ANZ)	Outlines our expectations for all of our employees to continue our culture of living our Reece values.
Anti-Bribery and Corruption (ANZ)	Outlines our expectation of employees to avoid and report bribery or corruption in all forms.
Whistleblower policy (ANZ)	Outlines how we will effectively identify, investigate and eliminate conduct that is illegal, unethical or inconsistent with our policies and procedures. This policy encourages the disclosure of suspected misconduct by team members and other persons without fear of detriment.
Regulatory Compliance policy (Group)	Outlines our commitment to maintaining our compliance with relevant laws, including legislative requirements, industry codes, organisational standards as well as standards of good corporate governance, ethics and community expectations.

There were no updates to these policies in FY23. They were last updated and rolled out to the business in FY22.

Appendix 2

Reece Limited

A.B.N. 49 004 313 133

Controlled Entities Reece Limited

Reece Australia Pty Ltd A.B.N 84 004 097 090	Viadux Holdco Pty Ltd A.B.N. 51 603 303 368	Fortiline, LLC Company number 56-2136499
Plumbing World Pty Ltd A.B.N. 99 004 910 829	Viadux Bidco Pty Ltd A.B.N. 42 603 305 326	Fortiline, Inc Company number 57-0819190
Reece Project Supply Pty Ltd A.B.N. 54 100 065 307	Viadux Pty Ltd A.B.N. 75 087 415 745	MORSO Properties LLC Company number 86-1262225
Reece International Pty Ltd A.B.N. 11 100 278 171	Laddr Finance Pty Ltd A.B.N. 52 651 284 187	MORSO Properties OK LLC Company number 87-2162861
Reece New Zealand Limited Company No. 1530569	International Quadratics Pty Ltd A.B.N. 36 091 533 167	Reece Mexico 1 Inc Company number 88-2047430
Actrol Parts Holdings Pty Ltd A.B.N. 98 142 644 488	Dontek Electronics Pty Ltd A.B.N. 60 147 554 943	Reece Mexico 99 Inc Company number 88-2039114
Actrol Parts Finance Pty Ltd A.B.N. 21 142 653 889	Hamilton HoldCo, LLC Company Number 6843365	RMx Dev S de. R.L. de C.V. Company number RDE220722DY6
Actrol Parts Pty Ltd A.B.N. 93 142 654 564	Patriot Supply Holdings Inc Company number 45-4808005	Barsco Inc Company number 75-0751298
A.C. Components Pty Ltd A.B.N. 69 134 588 935	Patriot Supply Intermediate Inc Company number 45-3852987	DKJ Family Equipment LLC Company number 84-2024743
Metalflex Pty Ltd A.B.N. 18 007 133 057	MORSO Inc Company number 75-0450550	
Metalflex Regional Pty Ltd A.B.N. 50 142 651 509	MORSO Supply, LLC Company number 75-2588495	
Metalflex (S.A.) Pty Ltd A.B.N. 88 084 260 837		
Metalflex (W.A.) Pty Ltd A.B.N. 98 105 291 263		
Air Plus Pty Ltd A.B.N. 33 135 270 718		
The Creative Plane Pty Ltd A.B.N. 50 092 585 058		

Appendix 2

Mandatory reporting criteria index

Mandatory Criteria	Location in statement
Identify the Reporting Entity.	Overview, Modern slavery governance.
Describe the reporting entity's structure, operations and supply chain.	Overview, Modern slavery governance.
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls.	Modern slavery risk.
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address those risks, including due diligence and remediation processes.	Managing our modern slavery risks.
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	Assessing our actions.
Describe the process of consultation with any entities the reporting entity owns or controls.	Overview, Modern slavery governance.
Any other relevant information managing modern slavery risks.	Managing our modern slavery risks.

Reece Limited
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