



Modern Slavery Statement 30 June 2020

Introduction

GWA acts ethically and with integrity in all its business dealings and relationships including the implementation and enforcement of effective systems and controls to ensure modern slavery does not take place in its own business or in any of its supply chain. GWA has a zero-tolerance for modern slavery.

This statement details the operations of GWA and its subsidiaries and outlines the potential risks to modern slavery that may exist within its business. The statement also details the specific mitigations GWA has implemented across its businesses to address the identified risks.

Finally, the statement provides an update on how GWA is measuring the effectiveness of the actions taken to assess and address the risks of modern slavery practices across its operations and supply chain.

In preparing this statement GWA has prepared detailed responses to each of the relevant mandatory criteria as set out in the *Modern Slavery Act 2018 (Cth)*.

1. Identification of reporting entity

This statement relates to GWA Group Limited (ABN 15 055 964 380) and each of its subsidiaries "GWA". A list of GWA's subsidiaries is available in GWA's latest annual report at www.gwagroup.com.au.

GWA is a public company listed on the Australian Securities Exchange (ASX). Its registered office is located at Building 3B, 200 Holt St, Pinkenba QLD 4008 AUSTRALIA.

This statement is made under section 14 of the *Modern Slavery Act 2018 (Cth)* for the financial year ended 30 June 2020.

2. GWA – Structure, Operations and Supply Chain

GWA's purpose is to make life better through products, services and technologies that create superior solutions for people to enjoy and sustain water, our planet's most precious resource.

GWA is a leading innovator, designer and supplier of product solutions, services and intelligent technology focused on the Bathrooms & Kitchens segment. The company owns and distributes an extensive range of market-leading brands including Caroma, Methven, Dorf, Clark, Deva, Flexispray and Nefa.

GWA's state of the art product solutions include sanitaryware, tapware, showers, basins, baths, kitchen sinks, laundry tubs, bathroom/kitchen accessories and valves. We have an intelligent bathroom system incorporating IoT smart water management solutions.

GWA has sale and distribution facilities across its primary end markets of Australia, New Zealand, United Kingdom and China and operates light manufacturing facilities in New Zealand and China.

We are highly respected within the building industry for innovation, water efficiency, product reliability and quality, technical expertise and superior service.

GWA had 640 employees as at 30 June 2020 with the breakdown of employees by region being:

	Employees
Australia	384
New Zealand	119
United Kingdom	52
China	85
Total	640

Manufacturing Supply Partners

GWA's products are manufactured under long term exclusive contracts and agreements with a range of supply partners.

The supply partners are located in:

- China
- Malaysia
- Vietnam
- Thailand
- Italy
- Sweden
- Germany

The number of key manufacturing supply partners across geographic regions as at 30 June 2020 was:

- Asia – 31
- European Union - 4

In addition to manufacturing, GWA procures various services including transport, freight and shipping, IT and other ancillary services.

3. Risks to modern slavery practices in operations and supply chain

GWA has undertaken an analysis of its operations and supply chain to identify potential risks of modern slavery.

GWA believes the overall risk level to be low given the scope and location of the Group's operations, the maturity of its supply partner relationships and the diligence applied by GWA to identify and manage risks in the business.

GWA identified potential risks of modern slavery in its operations and supply chain to include third party owned offshore manufacturing plants producing products for GWA and located in specific countries in Asia. Areas of concern include trafficking, servitude, debt bondage, forced labour and child labour.

GWA continually seeks to identify key areas of risk and to develop programs to resolve or mitigate such risks to the best of its abilities.

4. Risk mitigation actions taken to assess and address these risks, including due diligence and remediation processes

In developing its risk mitigation plans, GWA has referenced the UN Guiding Principles on Business and Human Rights. We assess the degree of risk to ensure fundamental employee and human rights are upheld.

In recognition of the UN Guiding Principles (Principle 17) GWA focused on assessing general areas of operations and supply chain where modern slavery risks are likely to be most significant.

GWA implemented the following risk mitigation measures across its operations:

Policy Against Slavery and Trafficking in Persons

During FY20, GWA implemented a Group-wide policy against slavery and trafficking in persons which applies to all directors, officers and employees of GWA. The policy has been communicated to staff and key suppliers and is available at www.gwagroup.com.au.

GWA appointed an Ethical Standards Officer who is responsible for the administration and maintenance of the policy against slavery and trafficking in persons. The Ethical Standards Officer has primary day-to-day responsibility for implementing the policy, monitoring its use and effectiveness, dealing with any questions that arise, and ensuring audits and internal control systems and procedures are effective in countering modern slavery.

Under the policy GWA staff are required to be proactive and promptly report any suspected violations of the policy or any illegal or unethical behaviour of which they may become aware. Any complaints are treated in strictest confidence and are dealt with appropriately. No staff member will experience retribution or retaliation for a complaint made in good faith.

Implementation of modern slavery training module

GWA developed an online modern slavery training module which was rolled out across the organisation in FY20. The training communicates that compliance with the policy is the duty of all employees and that individuals can recognise potential risks of modern slavery and take steps to report matters to be addressed. All staff are expected to undertake the training module.

GWA Code of Conduct and Cultural Pillars

GWA maintains a Group-wide Code of Conduct which guides the behaviour of its people and demonstrates the commitment of the Group to ethical practices. Consistent with the Code of Conduct, GWA is committed to complying with all laws and regulations of the countries where we operate including prohibiting forced, trafficked and child labour.

The Group has also established Cultural Pillars which outline the company values and how these are applied to its business activities and the high standards of behaviour expected in the business to achieve the Group's objectives.

The Code of Conduct is supported by the Group's Whistleblowing Policy which provides an avenue for employees to raise concerns of unethical conduct including human rights issues. The policy is regularly reviewed to ensure that it reflects current best practice and to promote the ethical behaviour of all employees. The Whistleblowing Policy is available at www.gwagroup.com.au.

GWA employees are continuously trained in the policies, including those related to human rights, and its company values.

Requirements of supply chain partners to address potential risks of modern slavery in their operations

GWA has several long-standing key supply partners. These relationships have been maintained through ensuring a satisfactory level of transparency and trust in the supply partners' business operations.

GWA maintains various policies and procedures with respect to its supply partners to mitigate the risk of modern slavery including:

- We expect the manufacturing supply partners to comply with all laws and regulatory requirements regarding health, safety and welfare at each facility to ensure the health, safety and welfare of all workers, customers and any visitors to the facility.
- Supply partners must comply with all applicable laws, rules, regulations, standards and codes which relate to the manufacture, packaging, facilities, storage and delivery of products and the operation of the facility.
- We maintain a Supplier Due Diligence Policy which details the expectations to which all supply partners (including sub-contractors engaged by supply partners), must adhere.

Supply partners must undergo a Supplier Site Visit Assessment (SSV) prior to entering into purchasing arrangements with GWA. The SSV is a detailed assessment of the supplier's facilities and the manner in which they are operated, including safety, environmental and human resource related factors.

The supply partners must demonstrate they comply with national and regional laws and regulations.

- GWA is updating its Manufacturing and Supply Agreements with key supply partners through inserting specific clauses and separately requiring its key supply partners to comply with the following:
 - comply with Australian and international modern slavery laws relevant to the supplier;
 - allow GWA to investigate and verify compliance with Australian and international modern slavery laws;
 - provide information regarding itself and each of its suppliers involved in producing GWA products to confirm that neither the supplier nor any of its officers, agents or employees has been convicted or investigated for any offence in connection with any Australian or international modern slavery laws; and
 - confirm implementation of anti-modern slavery policies and due diligence procedures.
- As at 30 June 2020, 55% of GWA's Manufacturing and Supply Agreements contain these clauses with others to be updated with the clauses in FY21 and future periods as agreements are progressively renewed.
- GWA retains the ability to terminate an agreement should any instances of modern slavery come to light.

5. Assessing the effectiveness of the actions we are taking to assess and address the risks of modern slavery practices

GWA measures how it is performing in respect of the activities noted above to prevent modern slavery.

Auditing the suppliers

To mitigate the risk of slavery and trafficking occurring throughout its supply chain, GWA has instituted modern slavery and ethical sourcing audit programs.

Third party audits are conducted through site visits, document review and interviews with representatives from the supplier. Suppliers are required to remediate any issues identified within an appropriate period, depending on the nature and severity of the non-compliance.

This program is largely performed by GWA personnel, however in FY20, this was supplemented by the engagement of a specialist independent auditor as part of GWA's internal audit program. During FY20 GWA conducted audits on two major Asian supply partners. A third audit was planned to be conducted in FY20 however this was delayed due to the COVID-19 pandemic and associated travel restrictions.

The two audits conducted represented 25% of GWA's outsourced manufacturing spend. The third audit, representing a further 6% of GWA's spend, is expected to be conducted in FY21.

No modern slavery issues were identified as a result of these audits during FY20.

GWA identified a small number of minor workplace health and safety matters during the audits which the suppliers were directed to address. GWA has confirmed that these minor matters have been satisfactorily rectified.

6. Description of the consultation process with GWA's subsidiaries

GWA sets policies and makes decisions for the Group including all subsidiaries which ensures a consistent approach to addressing modern slavery risks. We ensure that all relevant areas of the company and its subsidiaries are aware of what actions they need to take and that modern slavery risks relating to these areas and subsidiaries have been identified, assessed and addressed.

As part of the consultation process, GWA has taken the following actions:

- the adoption and implementation of a policy against slavery and trafficking in persons throughout the corporate group;
- the same modern slavery training and capacity building has been made available throughout the corporate group;
- the reporting of information and analysis about modern slavery risks in the operations and supply chain of subsidiaries; and
- The adoption and implementation of the same risk mitigation actions, due diligence and remediation processes throughout the corporate group.

7. COVID-19 response

As a result of the COVID-19 pandemic, GWA prioritised the health and safety for all of its staff and visitors to its sites. Along with prioritising the safety of its people, GWA works with its key supply partners to understand and support their response efforts to the COVID-19 pandemic to ensure no increased risk of modern slavery practices within their operations.

Many of GWA's supply partners have responded with information on the steps they are taking to protect their workers such as:

- the provision of masks and protective personal equipment;
- social distancing guidelines;
- increased cleaning and disinfection of workplace areas;
- contactless deliveries;
- health and education programs;
- temperature and COVID-19 testing; and
- provision of hotel accommodation and chartered transport to access the workplace safely and protect livelihoods.

During the pandemic GWA has been able to maintain all existing sources of supply and continue to place orders in line with business forecasts. We have made no material changes to production schedules and pay in full for finished product from all suppliers globally while honouring previously agreed payment terms.

As GWA responds and adapts to the implications of the pandemic, we are committed to working together with the supply partners in an open and transparent basis, to mitigate the longer term impacts of the pandemic and develop a mutually beneficial and sustainable relationship that minimises the risk of modern slavery practices.

8. Looking ahead

GWA recognises that preventing modern slavery requires a continuing year-on-year commitment. GWA is committed to continuously improving its modern slavery risk identification and mitigations. GWA will continue to track and publicly report on progress through publishing its annual Modern Slavery Statement.

Key initiatives planned for FY21 include the following:

- further communication with and training of staff and key suppliers on company policies and procedures relating to modern slavery and ethical sourcing;
- continuing to build the long term relationships with key supply partners to enhance transparency and trust in their business operations;
- updating of key supplier agreements to prohibit modern slavery;
- auditing of the key supply partners as part of the modern slavery and ethical sourcing audit program; and
- implement a modern slavery assessment tool in the tender process of new non-inventory supply chain partners.

This statement was approved by the GWA Board of Directors.



Darryl D McDonough
Chairman



Tim R Salt
Managing Director

17 August 2020