



# Reliance Worldwide Corporation Limited

Modern Slavery Statement

December 2021

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## About this statement

This Statement, prepared in accordance with s16(1) of the Australian Modern Slavery Act 2018, sets out the actions taken by Reliance Worldwide Corporation Limited (“the Company”) and its subsidiaries (together “RWC” or “the Group”) to identify, assess and address modern slavery risks in our operations and supply chains during the financial year ended 30 June 2021 (“FY2021”).

The Group entities required to report under the Act are:

Reliance Worldwide Corporation Limited (ABN 46 610 855 877); and

Reliance Worldwide Corporation (Aust.) Pty Ltd (ABN 71 004 784 301).

This Statement applies to all entities in the Group. All entities in the Group are wholly owned. RWC conducts operations in three regions. Each region receives copies of group policies which set out governance and conduct expectations. Region leaders are members of RWC’s Senior Leadership Team and are consulted on expectations and policy matters. A broad group comprising representatives from senior leadership, legal, company secretariat, investor relations, human resources, procurement, internal audit and risk have been consulted and involved in preparing this Statement.

Modern Slavery legislation applicable in the UK and USA applies to some subsidiaries. Refer page 18.

The following reports have also been released during 2021 and can be located on our website at [www.rwc.com](http://www.rwc.com): 2021 Annual Report, Social Impact Report 2020 and Corporate Governance Statement. Various governance policies and prior year reports can also be viewed on our website.

This Statement has been authorised by the Board of Reliance Worldwide Corporation Limited.



Heath Sharp, Managing Director and Group Chief Executive Officer

## About RWC

RWC is a leader in the design, manufacture and supply of high quality, reliable and premium branded water flow and control products for the plumbing and heating industry, primarily the “behind the wall” plumbing sector. We manufacture and distribute products that disrupt and transform traditional plumbing methods by aiming to make the installer’s job quicker and easier. Appendix 1 lists Group entities involved in the manufacture or distribution of our products and the location of those entities.

RWC is the leader in the manufacture and supply of brass and plastic push to connect fittings in our key geographies. The majority of sales are to the repair and renovation market through an extensive network of channel partners. Our global manufacturing operations are vertically integrated and we have a strong culture of innovation, research, development and engineering capability.

Our aim is to shape a better world for our customers, employees, wider communities and shareholders through a relentless focus on making lives easier. We are committed to transforming productivity and efficiency for customers in plumbing and heating, as well as other specialist industries. Our innovative pipe connecting systems, valves, smart technologies and engineered solutions make an immediate, tangible difference to the performance, safety and sustainability of the modern built environment. Within our established family of brands, you will see a reflection of the shared beliefs, sheer dedication and focused ethics of every single member of our team. At RWC, there are no barriers and no dividers. We’re an open company with an open culture to match, encouraging company-wide conversations and listening to everyone’s opinions to help us shape a better world.

At RWC, our values underpin everything we do. We constantly strive to develop fresh ideas to keep people safe, efficient and comfortable. Ever inspired to pioneer, our teams across the globe share the same goal – to develop world-leading solutions underpinned by our values of passion, innovation, reliability, integrity and simplicity. That’s why we are at the forefront of shaping a better world, today and tomorrow.

Our history traces back to 1949 in Australia and to 1912 in the USA (Cash Acme business acquired in 2002). The UK based John Guest business was founded 1960 (acquired by RWC in 2018). Further information on our history can be found at [rwc.com/living-heritage](http://rwc.com/living-heritage).

# About RWC: employees and operations

## Employees

Total employee numbers at 30 June 2021 were 2,314 comprising 2,150 full time employees, 67 part time employees and 97 contract staff. Contract staff are based mainly in Australia and the USA.

Total employees by region at 30 June 2021 were:

Americas	694
APAC	468
EMEA	1,110
Group	42
<b>Total</b>	<b>2,314</b>

## Operations

At 30 June 2021, RWC operated in 3 regions with manufacturing and distribution facilities located in 14 countries.

A snapshot of each region is provided on pages 7 to 9.

## Creating Value through Product Leadership

Create and deliver plumbing products that are the first choice for users



### Solutions for the end-user

Smart product solutions that improve contractor productivity, enable the DIYer, and make lives easier.

End user insights

New product development

Acquisitions



### Distributor Relationships

Increasing value for the distributor while providing broadest access to our products for the end-user.

Superior service

High value product

Brand management



### Operational Excellence

Premium quality products and outstanding delivery performance, yielding margin expansion.

Lean manufacturing

Strategic sourcing

Logistics capability

### Our Team

Supporting and developing our people, supporting and caring for the broader community



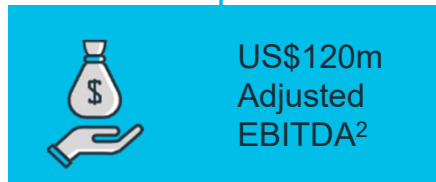
### Our Values (our S.P.I.R.I.T.)



Together we are one Team



# Americas snapshot at 30 June 2021

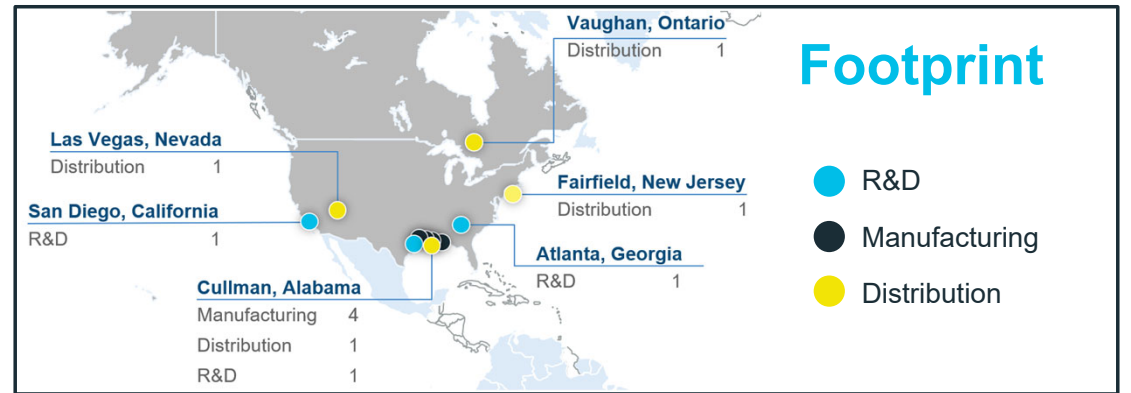
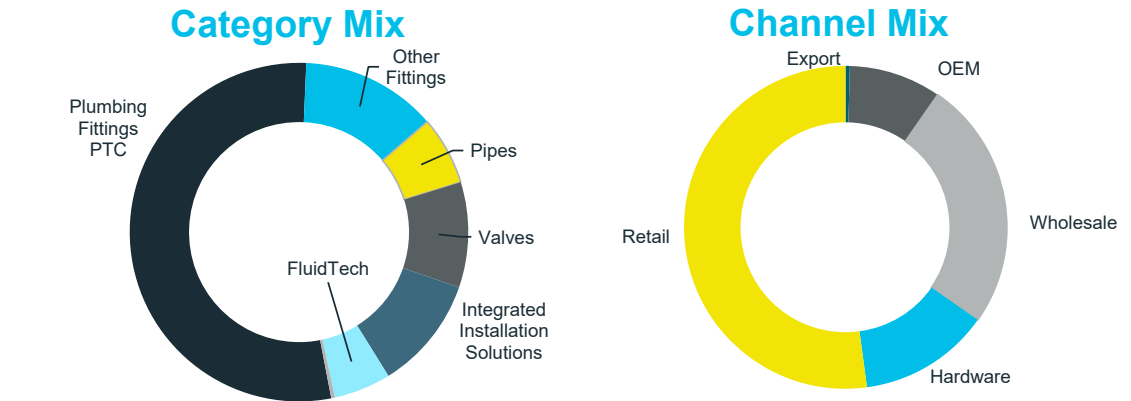


### Brands

- SharkBite<sup>®</sup>
- CashAcme<sup>®</sup>
- HoldRite<sup>®</sup>
- John Guest<sup>®</sup>

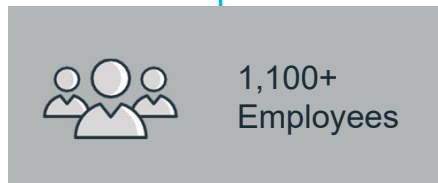
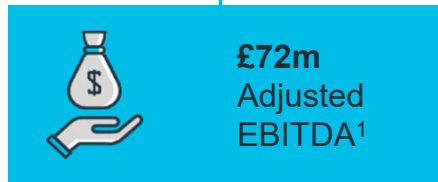
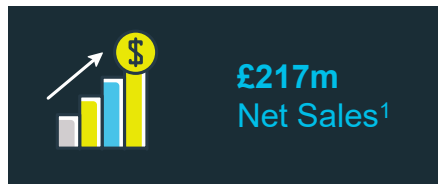
### End Use Segments

- Residential
- Multi-Unit
- Commercial
- OEM



<sup>1</sup> Segment net sales includes \$2.5 million of intercompany sales to other segments; FY21 results in US dollars  
<sup>2</sup> EBITDA before one-off charge for warehouse consolidation

# EMEA snapshot at 30 June 2021

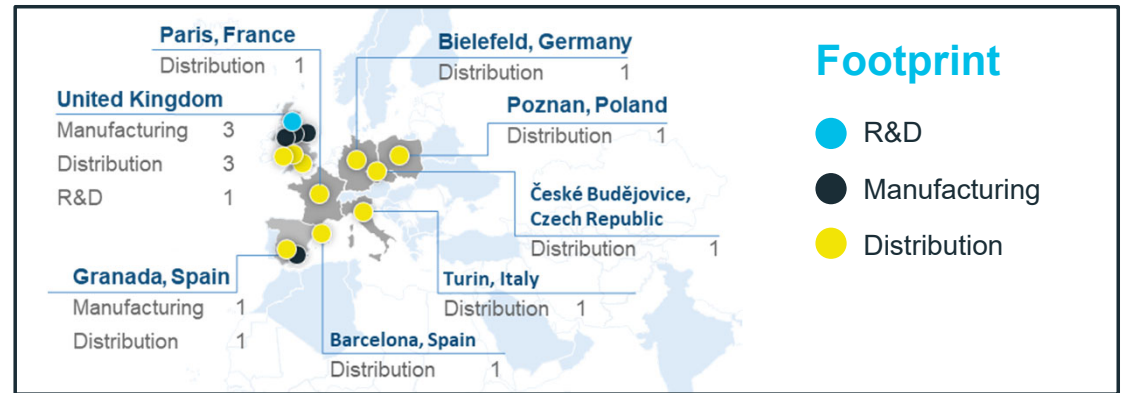
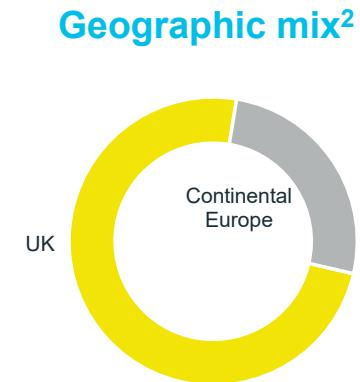
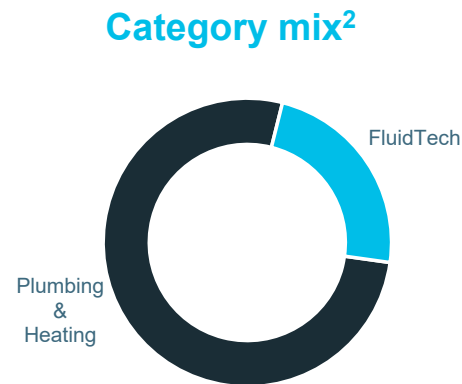


### Brands

- Speedfit<sup>®</sup>
- John Guest<sup>®</sup>
- Reliance<sup>®</sup> VALVES
- SharkBite<sup>®</sup>

### End Use Segments

- Residential
- Multi Unit
- Commercial
- OEM

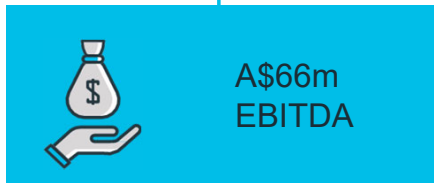
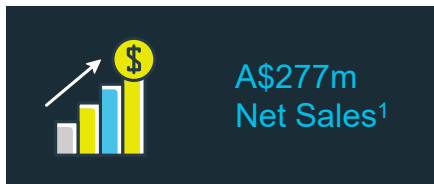


1. FY21 results in GBP

2. Based on FY21 external sales only and excludes intercompany sales to Americas / APAC



# APAC snapshot at 30 June 2021



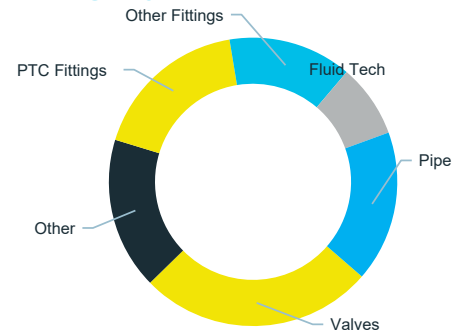
### Brands

- SharkBite®
- Reliance VALVES®
- Auspex
- John Guest®

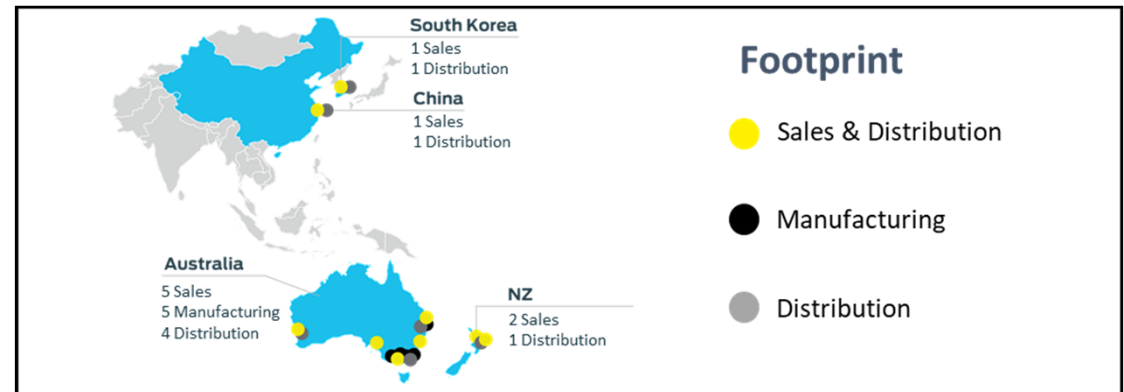
### End Use Segments

- Residential
- Multi Unit
- Commercial
- OEM

**Category Mix – AUS/NZ**



**Category Mix - Asia**

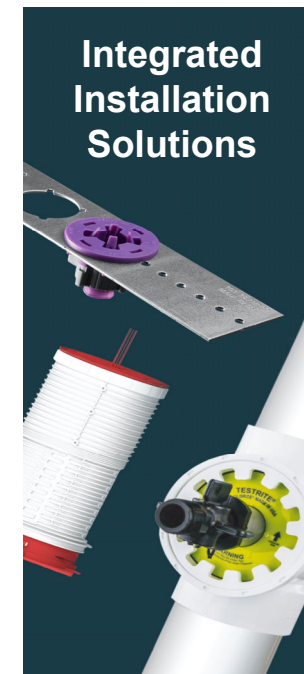


<sup>1</sup>Segment net sales includes \$116 million of intercompany sales to other segments; FY21 results in AUD

## RWC product portfolio



- RWC is a global market leader and manufacturer of water delivery, control and optimisation systems for the modern built environment. RWC's products consist of a global family of brands which provide a complementary product portfolio to help our customers deliver, control, optimise and solve their challenges in innovative, reliable and simple ways. We design, manufacture and distribute products that include pipe, valves, fittings and a range of ancillary products.
- Please refer to our website, [www.rwc.com](http://www.rwc.com), for additional information on our brands and products.



## Philosophy towards managing modern slavery in our business

The United Nations Guiding Principles for Business and Human Rights states that businesses should have in place “a policy commitment to meet their responsibility to respect human rights”. Modern slavery can occur in various forms including servitude, forced or compulsory labour and human trafficking. We have implemented a broad set of policies and procedures to identify modern slavery risks and improve our control environment. Modern slavery commitments are incorporated within our policies and procedures and clearly state our intention to respect and uphold human rights, and to identify and address modern slavery. Our commitment to mitigate modern slavery risks, which is informed by internal and external expertise, clearly sets out our expectations of personnel, business partners and other parties directly linked to our operations, supply chains, products or services. We regularly review and update governance structures, policies and processes.

We want all our people, whether directly in our operations or across our supply chains, to feel safe and respected at work. Every colleague who walks through the doors of any RWC location should feel welcomed, included and supported. It is with this responsibility and in the spirit of human dignity that we cannot be complacent. To deliver on this commitment and to reduce the potential risks of human rights violations or exploitation, we have implemented, and continue to implement, a range of policies, procedures and controls across our operating regions. We are proud of our open culture that encourages company-wide conversations and we value everyone’s opinions. Through honest dialogue, our people have been able to help direct our social impact efforts to causes and challenges that matter to our employees, communities, customers, suppliers and shareholders.

We acknowledge that more can be done and recognise that further actions are important to reduce risks of exploitation in operations and supply chains. We will continue to seek to make improvements through further refinement of our due diligence, risk management systems and policies.

We draw on the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact and the OECD (Organisation for Economic Co-operation and Development) Due Diligence Guidance for Responsible Supply Chains in conducting assessments of our modern slavery due diligence practices.

## Approach to managing modern slavery in our business

We believe that we have foundations in place for an effective modern slavery risk management program. We have developed short, medium and long-term action plans to improve management of modern slavery risks in our supply chains and operations.

We are committed to having:

- Documented and well communicated policies and procedures to control the risk of exploitation in our operations and supply chains. Details of some of these policy documents are provided in Appendix 3;
- A risk based due diligence program that incorporates active monitoring of supplier performance;
- Appropriate engagement and competence across our regions; and
- Proactive engagement with external stakeholders.

To achieve these objectives, we regularly undertake analysis of key areas of governance, systems, controls and capabilities to understand the strengths of our current approach and identify opportunities for improvement.

# Supply and procurement overview



## Overview

RWC manufactures products which are distributed mainly through Retail, Wholesale and Hardware channels. Products are also sold to original equipment manufacturers. Raw materials and finished goods components are purchased from local and international sources to supply manufacturing operations located in the USA, UK, Spain, Australia and New Zealand.

RWC has approximately 2,000 suppliers of goods and services. Analysis undertaken in FY2020 identified approximately 1,450 direct, or tier 1, suppliers of goods and services across 30 countries. Progress made in FY2021 on analysing high and medium risk suppliers is set out on page 15.

RWC's suppliers are located in EMEA (62%, of which UK is 53%), APAC (22%) and Americas (16%).

Businesses in Australia, USA, UK and Continental European countries supply over two-thirds of the materials and components we use. Approximately 25% of materials and components are sourced from countries in Asia.

Total global procurement spend on materials, components and services exceeds A\$500m per annum. 50% of this spend is with ~35 suppliers and a further 20% is with another ~120 suppliers.

## Main areas of procurement spend

- Raw materials for manufacturing processes – mainly brass bar and resins
- Components for assembly processes
- Finished goods for sale
- Capital expenditure on plant and equipment
- Energy and utility costs
- Information technology systems and security
- Office management and running costs

RWC's supplier handbooks and policy documents set out the requirement expectations of suppliers, including quality standards, risk management, materials sourcing and labour requirements. Purchase Order documentation includes details of our expectations of suppliers on modern slavery issues. Order documentation is embedded in our software systems.

Daily procurement activities are managed by operations teams in each region with oversight by the region CEO.

# Modern slavery risks in our Operations and Supply Chains



In 2020, we carried out an assessment of the inherent modern slavery risks in our operations and supply chains. This assessment was undertaken by an external provider and evaluated four areas of potential risk of modern slavery: **forced labour** (including debt bondage), **child labour**, **human trafficking** and **forced marriage**. To do this, we considered the likelihood and impact of each of these risks in both the geography and industry. Appendix 2 provides a summary of the approach to this assessment and outcomes.

## Operations

During FY2021, the majority of our manufacturing and distribution workers were located in relatively low risk countries (USA, Australia, Canada, the UK and New Zealand). We do have employees located in Continental European and Asian countries which have been assessed at inherent medium risk for modern slavery. For example, China, Czech Republic and Italy. Notwithstanding that we consider the controls in place for our business to be relatively robust, we continue to analyse and understand the specific employment conditions in our business and whether there are any vulnerable workers and/or workers who may have been subject to deceptive recruitment practices via recruitment agencies to determine the residual risk levels. Our review to date rates the residual risk to be low considering the existing employment related controls within the business.

## Supply Chain

We have not identified any inherent high risks of modern slavery in our supply chain but have identified a small number of suppliers who operate in areas that are medium/high risk for modern slavery. These suppliers are located in China, Malaysia, Thailand and Mexico and are supplying us with metal componentry, including brassware and steel cables, packaging materials, electronics and appliances.

A residual risk assessment was conducted of medium / high risk suppliers in FY2020 to understand the controls we have in place in relation to the suppliers, as well as public disclosures by the suppliers relating to their modern slavery risk management. During FY2021, we engaged with a selection of active suppliers who were identified as medium risk to understand the residual risks better. This engagement was primarily undertaken using a survey process because of restrictions resulting from the COVID-19 pandemic. To date, RWC has not identified any cases where we have directly or indirectly caused adverse impacts to human rights from our operations and we are not aware of any instances of contributing to modern slavery in our supply chains.

## Actions taken in FY2021 to identify, assess and address modern slavery risks

*The COVID-19 pandemic impacted our ability to undertake several proposed activities during FY2021, particularly in supply chain management.*

Actions taken during FY2021 included:

- Completed assessments of 40 Medium High Risk and Medium Risk active suppliers (representing in excess of 50% of procurement spend) to further assess the modern slavery risks in our supply chains and operations. Assessments were undertaken using a survey approach in lieu of not being able to conduct onsite visits because of the pandemic. Survey results did not identify any major areas of concern. These suppliers will remain our primary focus for on-site and virtual audits in FY2022 and subsequent years.
- Commenced assessments of lower medium risk active suppliers.
- Established an ESG steering committee to set strategy and minimum requirements for our ESG activities. As part of this initiative, a global lead on modern slavery is in place to guide and lead regional teams.
- Developed training programs covering a range of modern slavery education topics, including about modern slavery and how it affects businesses, actions to prevent modern slavery, legal requirements and RWC's risk profile. The impact of the COVID-19 pandemic resulted in formal training sessions not commencing until September 2021.
- Continued updating our key internal policies and extended the scope of these policies across our regions.
- Developed a risk based assessment framework for use in future supply chain analysis. This framework reflects our approach to undertaking modern slavery due diligence and audits of suppliers and having these embedded in our operating and risk management procedures.
- Continued updating our standard purchasing documentation to address modern slavery requirements and improving supplier onboarding processes.



## Planned FY2022 actions

The Group has set several improvement goals for FY2022 to further identify, assess and address modern slavery risks in our business.

Planned actions for FY2022 are to:

- Continue developing compliance and reporting processes across regions.
- Complete development of the risk based assessment framework to be used in identifying and assessing higher risk suppliers. We have a policy to conduct an on-site audit or review for modern slavery compliance when visiting the site of a supplier. External providers may be engaged to conduct on-site audits.
- Engage with suppliers on modern slavery issues and RWC's expectations through:
  - Continuing to update supplier handbook and other documentation consistent with modern slavery requirements in each region. Purchase Order documentation includes details of our modern slavery expectations of suppliers.
  - Further developing and refining assessment processes to be undertaken with selected suppliers through self assessment surveys, virtual audit platforms and/or onsite audit activities. Our intention for FY2022 is a phased approach targeted to suppliers representing ~70% of global procurement spend. Reports on key results will be provided to the ESG Steering Committee.
  - Work with suppliers to address identified inherent and residual risks.
- Finalise a policy statement to use with service/recruitment providers. This action was completed during the first quarter of FY2022.
- Continue developing and rolling out targeted training programs across the Group to educate our employees on modern slavery topics. Formal training commenced in September 2021. This training was led by an external provider and attended by senior executives as well as personnel from supply chain, operations, procurement, quality control and human resources departments.
- Continue engagement with external stakeholders about modern slavery issues.

## Planned FY2022 actions for recently acquired businesses

RWC recently announced the acquisition of the business assets of LCL Pty Ltd (July 2021) and the EZ-FLO International group (October 2021).

- LCL conducts manufacturing activities in Australia.
- EZ-FLO operates mainly in the USA (sales and distribution activities) and China (manufacturing in the Ningbo Free Trade Zone).
- EZ-FLO has approximately 550 employees of which approximately 350 are in China.
- During FY2022, we will integrate these businesses into RWC, including policies and compliance processes. This will include assessments for modern slavery risks and implementing our standard policy protocols and requirements. We will also conduct supply chain reviews as part of our normal assessment activities.
- RWC's preliminary assessment of EZ-FLO's operational profile in China, including modern slavery exposures, is contained in the document titled "Investor presentation – acquisition of EZ-FLO International" released to the ASX on 26 October 2021.

## Other reporting on modern slavery

- Reliance Worldwide Corporation (UK) Limited, incorporated in the United Kingdom, is required to report on compliance with the requirements of the UK Modern Slavery Act 2015.
- Reliance Worldwide Corporation, incorporated in the USA, has published a statement in accordance with the California Transparency in Supply Chains Act (California Civil Code Section 1714.43).

## Appendix 1



The following lists entities in the Group actively involved in the manufacture or distribution of RWC's products during FY2021. Dormant and intermediate holding companies are excluded.

Name of Entity	Country	Distribution	Manufacturing
Reliance Worldwide Corporation (Aust.) Pty Ltd	Australia	✓	✓
Reliance Worldwide Corporation (NZ) Limited	New Zealand	✓	✓
Reliance Worldwide Corporation (Canada) Inc	Canada	✓	-
Reliance Worldwide Corporation	USA	✓	✓
Reliance Worldwide Corporation (Europe) S.L.U.	Spain	✓	✓
Reliance Worldwide Corporation (UK) Limited	United Kingdom	✓	✓
John Guest Automotive GmbH	Germany	✓	-
John Guest GmbH	Germany	✓	-
Reliance Worldwide Corporation France SAS	France	✓	-
John Guest SRL	Italy	✓	-
John Guest Korea Ltd	Korea	✓	-
John Guest (Shanghai) Trading Co. Ltd	China	✓	-
John Guest Czech S.R.O	Czech Republic	✓	-
John Guest Sp zoo	Poland	✓	-

## Appendix 2 – Summary of 2020 analysis of modern slavery risks in our Operations and Supply Chains



In 2020, we engaged an external provider to undertake an assessment of the inherent modern slavery risks in our operations and supply chains. The inherent risk identification process was undertaken for all RWC facilities. Below is a summary of the approach to this assessment and outcomes.

**Country risk analysis:** Using human rights databases, indexes and reports from internationally recognised bodies, including the Global Rights Index, the International Labour Organization, and the World Bank, a modern slavery risk rating was determined for each country within the operations and supply chains scope.

**Industry risk analysis:** An industry specific assessment of the likelihood and impact of known modern slavery risk factors for RWC's operations and supply chain was conducted. The risk factors considered include labour intensity, skill level, the presence of opaque intermediaries, the level of industry regulation and the presence of migrant labour. A comparison was also carried out in relation to known modern slavery violations or risks in the industry within the past 10 years.

We then established an inherent risk score for each supplier and operational activity resulting in a risk assessment grouping of High, Medium/High, Medium, Medium/Low and Low.

The number of employees and the supplier spend were taken into consideration to determine the scale and impact of these risks but do not affect the inherent risk scores at this level.

These inherent risk scores are now being used to inform our management of risk and ongoing due diligence over our operational activities and supply chains.

We acknowledge that there are risks of modern slavery as RWC conducts business with suppliers in our supply chain. However, we have a high level of confidence that the risks of modern slavery are minimal for our Tier 1 suppliers.

## Appendix 3: Key Policies and Documents

RWC has policies and documents which connect with our approach to addressing modern slavery. The list below is not exhaustive.

- **Code of Conduct:** Outlines the actions and behaviours expected of our employees in the workplace, including legal compliance guidelines and ethical standards.
- **Global Whistleblowing Policy:** Provides guidance on reporting suspected unethical, illegal, or fraudulent conduct by third parties or those within RWC.
- **Anti-Bribery and Anti-Corruption Policy:** Sets out RWC's commitment to comply with the laws and regulations addressing corruption, fraud or bribery in the countries where we do business.
- **Modern Slavery Policy:** Sets out RWC's policy on modern slavery. Distributed to key service providers and recruiting agencies.
- **Region Supplier Handbooks:** Outlines the mandatory requirements for suppliers including quality standards, risk management and approval for all material sources. Region handbooks have been updated to include RWC's policy on modern slavery.
- **Global Ethical Code of Practice for Supply Sites Outside of Australia:** Provides guidance and instruction on the minimum standards acceptable to RWC in the manufacture of components and raw materials and supply of finished products.
- **Americas Supplier / Procurement Code of Conduct:** Sets out the expectations of RWC's suppliers, including prohibitions on the use of child labour, physical punishment, forced or compulsory labour as well as any other forms of human abuse.
- **Global Corporate Social Responsibility Policy:** Applies to all employees along with relationships with customers and suppliers and is currently being reviewed to incorporate anti-slavery initiatives.
- **EMEA Recruitment / Agency Workers Policy:** States that RWC uses only specified, reputable employment agencies to source labour.
- **Modern Slavery Assessment Forms:** Various forms used for due diligence assessment of modern slavery risks in supply chains and service providers.

## Directory

### **Corporate office**

Reliance Worldwide Corporation Limited  
Level 26, 140 William Street  
Melbourne, Victoria 3000 Australia

### **Global operating headquarters**

Reliance Worldwide Corporation  
2300 Defoor Hills Rd NW  
Atlanta, Georgia 30318 USA

### **Contact**

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T: + 61 3 8352 1400  
W: [www.rwc.com](http://www.rwc.com)

Reliance Worldwide Corporation Limited's ordinary shares are quoted on the Australian Securities Exchange (ASX: RWC).



## Index - Australian Modern Slavery Act 2018 (Cth)

REQUIREMENT		LOCATION IN STATEMENT
1	Identify reporting entity	Page 3
2	Be approved by board and signed by director	Page 3
3	Describe the structure, operations and supply chains	Pages 4 to 10
4	Describe risk of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Pages 11 to 14
5	Describe the actions taken by the reporting entity and any entity that it owns or controls, to assess and address risks, including due diligence and remediation processes, as well as how the reporting entity assesses the effectiveness of such actions.	Pages 15 to 17 and throughout the Statement
6	Describe the process of consultations with any entities that the reporting entity owns or controls, and if there is more than one reporting entity the consultation between them	Page 3
7	Any other information that the reporting entity considers relevant	Provided throughout the Statement