

Making it better every day.

Modern Slavery
Statement 2024

Contents



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.



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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 2023 to 30 June 2024 (FY24). 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 2 (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.

The statement was approved by the Reece Limited Board on 12 December 2024. It should be read in conjunction with our 2024 reporting suite, including our Corporate Governance Statement, Annual Report and Sustainability Report.

Letter from Chairman & CEO

Our purpose is to build a better world for our customers by being the best.

This purpose along with our values, what we call 'The Reece Way', guides how we run our large international network.

We use The Reece Way to drive our approach to ethical sourcing and remain focused on minimising the risk of modern slavery throughout our operations and supply chain.

In FY24, we made further progress in improving and formalising our ways of working, using our continuous improvement mindset to strengthen the foundations of our approach.

There is always more work to be done and we will continue to take a partnership approach with our suppliers and wider stakeholders towards our goal of ensuring a safe place of work for those in our direct business and beyond.



Peter Wilson
Chairman & CEO



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



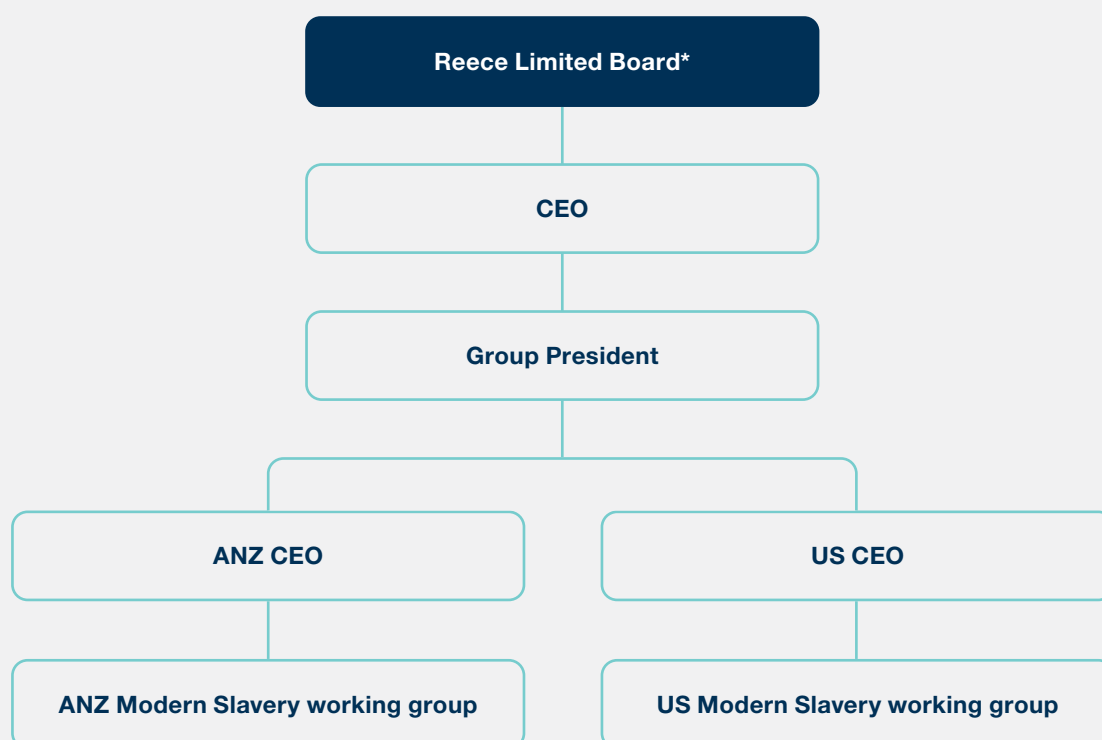
Be humble



Modern slavery governance

Our approach to modern slavery is set at management level, endorsed at Board level and driven by the business.

Modern slavery working groups, made up of cross discipline team members, are led by our regional Chief Merchandising Officers. These groups are accountable to our regional CEOs. Modern slavery is also a regular agenda item at our Audit and Risk Committee and is a detailed item on our risk register.



*Modern slavery updates are presented to the Audit & Risk Committee.

Our supply chain

As a large international trade distribution business, we have a complex supply chain that underpins our customer promise of customised service. Reece has a rich history of building long-term lasting relationships with suppliers, fostering a collaborative partnership approach that enhances our understanding and management of potential modern slavery risks.

Where we source

Across regions we source a significant portion of our manufactured goods and services domestically within our home markets and the remainder from Europe and Asia.

Our Australian and New Zealand region also has a higher prevalence of products that are Reece branded, 'exclusive' or 'private label', or are designed to Reece specification.



Our merchandising and procurement teams handle the sourcing of goods and services and are responsible for appointing approved suppliers. They work alongside our operational teams who source specific products based on geographical and customer requirements.

When we complete acquisitions we align new businesses with Reece standards, processes and values while allowing operational independence where appropriate. We take an active approach to engaging with these entities and conduct expedited risk assessments to ensure appropriate arrangements are in place.

Our supply chain consists of:

1 Products for sale to customers
Plumbing, bathroom, kitchen, heating and cooling and pipe products for residential and commercial projects.

2 Services provided to customers
Technology, financial or learning platforms and services to support our trade customers.

3 Products procured to support our operations
IT equipment, electronics and software to support Reece Group operations, fleet and retail store requirements.

4 Services purchased to support our operations
Such as cleaning and consulting services.



Modern slavery risk at Reece

As a complex global distribution business operating across multiple countries, we know that we are exposed to human rights risks. This potential risk falls into two categories – risks in our operations and risks in our supply chain.



Risks in our supply chain

The potential risk of modern slavery within our supply chain is influenced by many factors, such as manufacturing locations with increased geopolitical tensions or industries that rely on lower skilled, outsourced or large migrant workforces.

We consider the following goods and services categories to represent a higher level of modern slavery risk:

- Electronics (sub-components of hot water, HVAC products, etc.)
- Products containing high-risk commodities such as timber, copper and brass
- Cleaning and facilities services
- Apparel and uniform procurement.

Risks in our operations

Approximately 91% of our workforce are employed directly by Reece in accordance with the relevant laws in their regions.

With a high level of direct oversight over our workforce and operations, we are able to instil a culture driven by our purpose and values, while enforcing policies and controls that protect against harm. As a result, we consider the risk of modern slavery in our direct workforce to be low.

The remainder of our workforce consists of contractors, primarily in our distribution network and technology teams, many of whom are based in Australia. We remain vigilant about the potentially higher human rights risks in these populations, and continue to maintain a high level of direct oversight to ensure compliance with Reece policies and procedures.

Managing our modern slavery risk

We take a multi-faceted approach to monitoring and managing modern slavery risks, including:

- Monitoring external factors that may exacerbate risks in vulnerable regions, such as geopolitical conflicts and extreme climate events
- Tracking changes to international regulatory frameworks
- Following internal procedures to assess risk associated with both new and existing suppliers and implementing appropriate measures to mitigate identified risk areas
- Consulting with subject matter experts for additional support and guidance when required
- An annual employee engagement survey that allows our team to provide feedback to leadership on ways to improve our working environment
- A dedicated People Experience team that provides team members with access to essential tools, processes, policies and frameworks.

Our approach to managing risk is outlined in more detail in the following section and is structured around three key areas:

Building our knowledge

We hold regular training sessions across various levels of the business to deepen our understanding of modern slavery. In FY24 this included:

- Developing an online learning module for branch managers, to enhance awareness of modern slavery risks in a Reece-specific context.
- Hosting a training session led by an expert external consultant for merchandising and procurement team members, aimed at refreshing their knowledge of regulatory frameworks and identifying modern slavery risks.

In FY25 we will continue to promote and monitor completion of the online learning module and focus on increasing education for key merchandise and procurement roles within the business.

1 Prevention

Ensuring our modern slavery protocols and processes are designed to minimise risk from the outset.

2 Risk assessment and mitigation

Continuously improving our ability to assess and mitigate risk within our operations and supply chain.

3 Remediation

Providing clear channels for our employees and suppliers to report concerns about potential instances of modern slavery and ensuring we have an effective response plan in place for any incidents that may occur.



Prevention

Our initial safeguard against modern slavery is to equip our team members with the ability to identify and minimise risk prior to engaging new suppliers. We do this by:

- Embedding modern slavery assessments into our market engagement process to ensure non-compliant suppliers are quickly identified and eliminated from the process.
- Making modern slavery risk management a non-negotiable component of all supplier engagements.
- Ensuring that all new supply agreements clearly outline our expectations regarding modern slavery.

In FY23, we reviewed the effectiveness of modern slavery clauses within our key supplier agreements, both local and overseas, for products and services procured to support our operations. In FY24, we expanded this review to include key supplier agreements for products we provide to our customers.

Risk assessment and mitigation

Understanding our modern slavery risk has been a key focus over the past five years. Learning from our experience, we have adapted our approach and committed to continuous improvement.

In FY24, we reviewed our existing desktop risk rating method for assessing modern slavery risks in our supply chain, which led to the enhancement of our supplier framework.

Assessing risk

Our updated framework builds on existing processes by:

1. Enhancing our evaluation of suppliers by evolving our definition of vulnerable populations
2. Conducting an impact assessment aligned with our broader tiered business risk framework
3. Assessing the likelihood of risk by considering factors such as geographic location, commodity and industry type, company ownership structure, the presence and extent of subcontracting, and presence of any certified modern slavery accreditations.

Given the nature of our business model, we assign a higher weighted impact rating to suppliers who provide goods which either carry Reece branding, are 'exclusive' or 'private label' brands, or have been designed to Reece specifications. These suppliers are given greater emphasis given their importance to the business and our ability to work pro-actively with them to address any identified issues requiring remediation. However

we continue to actively monitor and manage all suppliers providing goods and services to Reece.

With the enhanced framework formalised in FY24, we will progress with implementation in FY25.

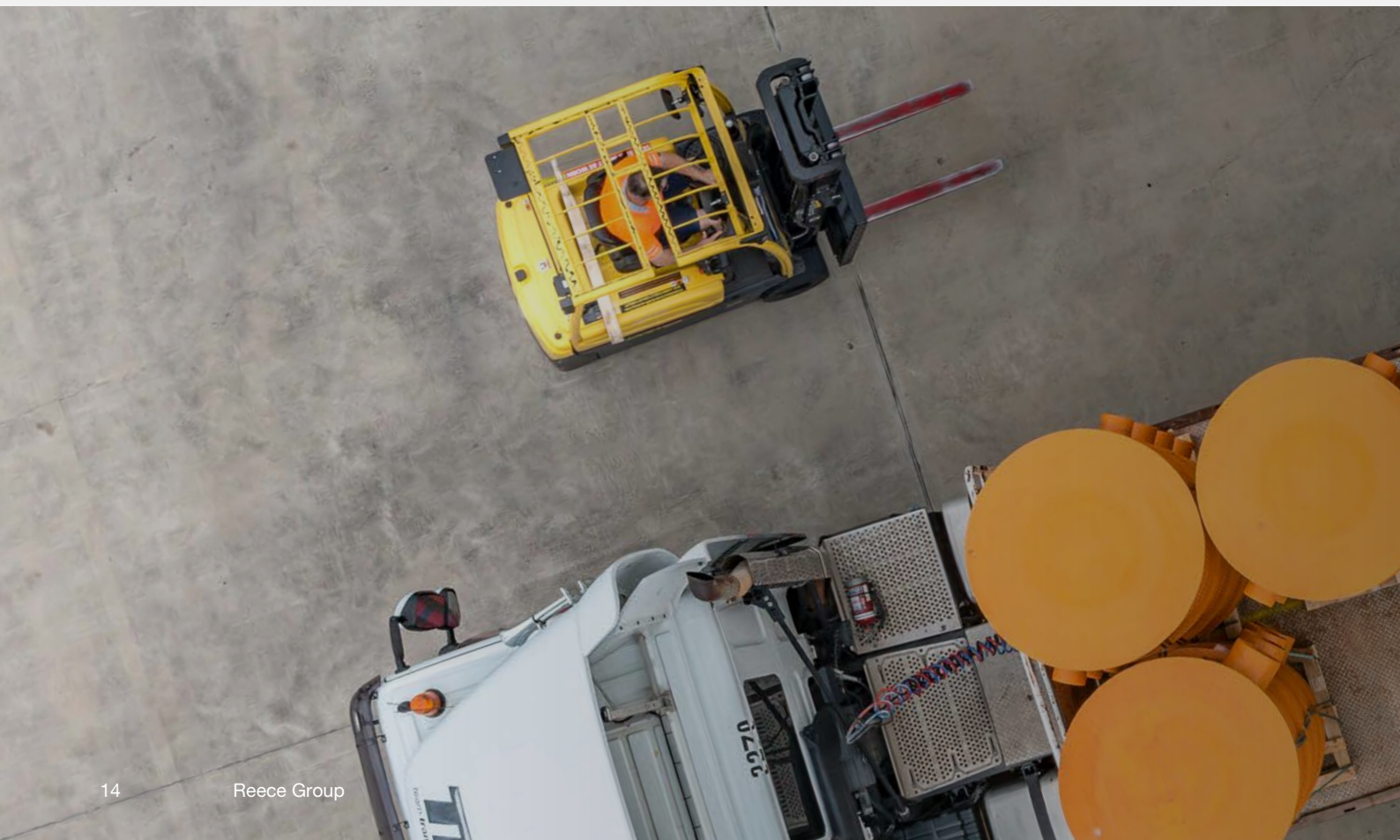
Mitigating risk

Once risk levels have been assessed, we implement tailored measures for individual suppliers based on their risk ratings, aimed at reducing inherent risks. Ongoing controls from previous years include:

- Requiring suppliers to sign a trading agreement with additional modern slavery clauses and/or providing a modern slavery declaration.
- Factory audits and visits conducted by Reece.

In FY25, we will be introducing additional controls that mandate certain suppliers based on their risk rating and nature of supply agreement, to provide proof of:

- Grievance mechanisms
- Completion of globally recognised self-assessment questionnaires
- Third-party audit or certification.



Remediation

We are dedicated to addressing, remediating, or eliminating any identified modern slavery risks or incidents within our business or supply chain on a case-by-case basis.

We provide a confidential cross regional hotline service, available to current and former employees, contractors, suppliers and the public as part of our Whistle Blower Policy. The hotline is managed by an independent third party and can be accessed via phone, online, text, email or by QR code in branches.

In FY23 we developed a grievance mechanism policy and procedure to guide our response, which was communicated internally and made available on our supplier portal. We committed to enhancing the accessibility of this grievance mechanism in FY24.

To support this commitment, we engaged The Freedom Hub, an expert consultant in the modern slavery field, to test our grievance mechanism and have incorporated their feedback into our processes.

Additionally, we worked to improve the accessibility of our grievance hotline by:

- Expanding the number of languages available, aiming to cover all languages spoken in the locations of our current supplier set by the end of 2025.
- Ensuring whistle blower hotline posters are easily accessible to both employees and customers in all Reece Australia and New Zealand branches.

Managing modern slavery risk in our US region

Our US region is adopting a similar approach to managing modern slavery risks. While the region benefits from a lower inherent risk in its supply chain due to predominantly sourcing domestically with limited exclusive or private label products, we recognise the importance of building on the frameworks established from our ANZ operations.

Our US team has made significant progress and has drawn valuable insights from our ANZ operations. This collaboration will continue in FY25, as the US region commits to reviewing the formalised processes used within the ANZ business to determine local applicability for the US supplier base. This review will serve as a foundation for strengthening our risk management strategies across the regions.

Current frameworks in place require new supplier agreements to include a Modern Slavery Declaration, while existing suppliers must provide documentation that demonstrates their commitment to responsible supply chain management, including Supplier Codes of Conduct and California Transparency in Supply Chain Disclosure Statements.

Additional developments in FY24 also included:

- Reviewing top suppliers to ensure California Transparency in Supply Chain declarations were current.
- Expanding supplier declarations kept on file to the top 200 suppliers.
- Providing training for all merchandise category team members to enhance identification and management of modern slavery risks.
- Updating the local Risk Matrix to align to the ANZ process and broader business risk framework.

Assessing our actions

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

Focus area	Outcome	FY24 Outcomes
Governance	All levels of the business have appropriate oversight of modern slavery risks and actions to mitigate	<ul style="list-style-type: none"> - Monthly Working Group meetings - Agenda item at each Audit and Risk Committee meeting
Risk assessment	<p>Reece is aware and incorporates salient risks within our supply chain into our broader 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 framework enhanced - Revised framework tested with top 20 suppliers (ANZ only)
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 for key merchandising and procurement roles, conducted by third party and tailored to Reece - Online learning module rolled out to all branch managers (ANZ only)
	Our suppliers are aware of their responsibilities to identify, mitigate and report modern slavery	<ul style="list-style-type: none"> - All new contracts entered during reporting period include updated modern slavery provisions - Strategic supplier California Transparency in Supply Chain declarations documented (US only)
Risk mitigation	Our suppliers are aware of their responsibilities to identify, mitigate and report modern slavery risks	<ul style="list-style-type: none"> - Supplier mitigation requirements enhanced and expanded - Continuous audit program in place for strategic suppliers
Grievance mechanism	Grievance mechanisms are available to people within our operations and supply chain	<ul style="list-style-type: none"> - Whistleblower hotline expanded to 18 languages - Increased visibility of whistleblower hotline details within the branch network (ANZ only)

Appendix 1

Policies supporting modern slavery.

Policy name	Intention
Our Supplier Guide (ANZ and US)	Outlines the minimum expectations to be upheld by all Reece suppliers both international and domestic.
Code of Conduct (ANZ)	Outlines expectations of our employees to continue our culture of living the 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.
Sexual harassment policy (ANZ)	Outlines our expectations for employees, directors and others who perform work in connection with Reece, to align with our 'zero tolerance' approach to sexual harassment, sex discrimination, hostile work environment conduct and sex-based harassment in the workplace.
Respectful working relationship policy (ANZ)	Outlines responsibilities that team members have in carrying out our objective of promoting a workplace that is diverse and inclusive. This policy affirms legislation that exists at both a federal and state level relating to unlawful discrimination, bullying, harassment, victimisation and vilification.
Privacy policy (ANZ)	Sets out our information collection and handling practices and the rights and obligations under the <i>Australian Privacy Act 1988</i> and <i>New Zealand Privacy Act 2020</i> .

Our policies are reviewed annually and updated as required.

Appendix 2

Reece Limited

As at 30 June 2024

Registered Office

57 Balmain Street
Cremorne, Victoria, 3121
Telephone (03) 9274 0000
Facsimile (03) 9274 0197

Reece Limited subsidiaries	ABN/Company number	Country of incorporation
Reece Limited	49 004 313 133	Australia
Reece Australia Pty Ltd	84 004 097 090	Australia
Plumbing World Pty Ltd	99 004 910 829	Australia
Reece Project Supply Pty Ltd	54 100 065 307	Australia
Reece International Pty Ltd	11 100 278 171	Australia
Reece New Zealand Limited	1530569	New Zealand
Actrol Parts Holdings Pty Ltd	98 142 644 488	Australia
Actrol Parts Finance Pty Ltd	21 142 653 889	Australia
Actrol Parts Pty Ltd	93 142 654 564	Australia
A.C. Components Pty Ltd	69 134 588 935	Australia
Metalflex Pty Ltd	18 007 133 057	Australia
Metalflex Regional Pty Ltd	50 142 651 509	Australia
Metalflex (S.A.) Pty Ltd	88 084 260 837	Australia
Metalflex (W.A.) Pty Ltd	98 105 291 263	Australia
Air Plus Pty Ltd	33 135 270 718	Australia
The Creative Plane Pty Ltd	50 092 585 058	Australia
Viadux Holdco Pty Ltd	51 603 303 368	Australia
Viadux Bidco Pty Ltd	42 603 305 326	Australia
Viadux Pty Ltd	75 087 415 745	Australia
International Quadratics Pty Ltd	36 091 533 167	Australia
Dontek Electronics Pty Ltd	60 147 554 943	Australia
Hamilton Holdco, LLC	36-4897347	United States
Patriot Supply Holdings, Inc.	45-4808005	United States
Patriot Supply Intermediate, Inc.	45-3852987	United States
Reece, Inc.	75-0450550	United States
Reece Supply, LLC	75-2588495	United States
Fortiline, LLC	56-2136499	United States
Fortiline, Inc.	57-0819190	United States
MORSCO Properties, LLC	86-1262225	United States
MORSCO Properties OK, LLC	87-2162861	United States
Reece Mexico 1, Inc.	88-2047430	United States
Reece Mexico 99, Inc.	88-2039114	United States
RMx Dev S. de R.L. de C.V.	RDE220722DY6	Mexico
Barsco, Inc.	75-0751298	United States
DKJ Family Equipment, LLC	84-2024743	United States
Reece Limited Employee Share Trust	26 403 474 247	Australia

Appendix 3

Mandatory reporting criteria index

Mandatory Criteria	Location in statement
Identify the Reporting Entity	Overview
Describe the reporting entity's structure, operations and supply chain	Modern slavery governance, Our supply chain
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 at Reece
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
A.B.N. 49 004 313 133

reece
group™

