

ASX Announcement

18 December 2023

2023 Sustainability Report

Attached for release is Reece Limited's 2023 Sustainability Report.

For further information contact:

Siobhan Weaver
Investor Relations

Reece Group

E: siobhan.weaver@reece.com.au

T: 0477 480 813

This announcement has been authorised by Chantelle Duffy, Company Secretary at the direction of the Reece Limited Board.

About the Reece Group

Reece Group is a leading distributor of plumbing, waterworks and HVAC-R products to commercial and residential customers through over 800 branches in Australia, New Zealand and the United States.

Established in 1920 and listed on the Australian Securities Exchange (ASX: REH), Reece Group has approximately 9,000 employees committed to improving the lives of its customers by striving for greatness every day.

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

Sustainability Report

— 2022
— 2023





Overview	04	Our strategy in detail	10
Message from Chair and Group CEO	04	Sustainable business	10
Reece at a glance	06	Empowering trade	18
Our purpose and values	07	Resilient communities	20
Our sustainability approach	08	About this report	26
Our sustainability strategy	08	Supplementary data	28
		GRI content index	32



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.

Message from Chair and Group CEO

This is our second sustainability report, setting out the progress we have made in 2023.

We have a customer-led strategy to build a sustainable business, empower our trade and contribute to resilient communities. Since the outset, we've aimed to approach sustainability the way we do everything – by being customer led, implementing a strategy that is right for Reece and executed over a time frame that will support long-term success.

We made some early progress this year. We are focusing on gathering insight, and enhancing our data capture and methodologies to deliver progress towards our emissions reduction aspirations, and learning more across all aspects of our strategy.

What we are particularly proud of this year is the Reece Foundation, which undertook its first projects. The Foundation is a great example of an initiative that empowers our trade customer and delivers real world impact, which is exactly where we want to focus and where we know we can deliver positive outcomes.

As we look forward, there is a lot to do. We have set ourselves a significant challenge, but we are committed to delivering continuous improvement. We look forward to providing another update in 2024.



Tim Poole
Chair



Peter Wilson
Group Chief Executive
Officer & Deputy Chair



Our sustainability commitments



Stakeholder engagement to collectively strengthen our approach.



Annual reporting on our progress.



Deliver emissions reduction aspirations.



Continuous improvement approach across our ANZ and US businesses.



Board and Management oversight of the execution of our sustainability strategy.

Reece at a glance

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

Founded

1920

Growth and leadership

100+ yrs

Team members

9k+

Nationwide footprint in Australia

1997

Entered New Zealand

2006

Entered US

2018

An international footprint

ANZ FY23 Revenue

\$3.9b



Business areas

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

US FY23 Revenue \$(A)

\$5.0b



Business areas

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

A market leading distributor



A trusted brand

with a differentiated customer proposition.



Clear track record

100 years of growth and market leadership.



Long term vision

stable ownership supports enduring approach.



Operating in attractive markets

positive long-term fundamentals.



A resilient model

weighted to less cyclical repair and re-model market.



A diversified business

by geography, segment, customer and end market.

Our purpose and values

Purpose

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

Values

	<p>Create customers for life</p>		<p>Discover your best</p>
	<p>Grow as a team</p>		<p>Innovate big and small</p>
	<p>Try. Try. Try.</p>		<p>Own it</p>
	<p>Keep it simple</p>		<p>Do the right thing</p>
	<p>Be humble</p>		<p>Write the next chapter</p>

Our sustainability strategy

Developing our sustainability strategy

When we set our sustainability strategy two years ago, we knew we wanted to be customer-led, like with everything we do. We asked customers what sustainability issues were important to them. We also tested the views of other stakeholders and this insight formed the basis of our first sustainability strategy.

We knew that our more mature ANZ business would lead our approach, and that we could share our learnings with our US business as we progressed.

This year we undertook an internal ESG risk identification and analysis process to inform our wider business risk register, and have begun engaging third party experts to help us undertake more extensive climate risk assessments during FY24 as we prepare to report under the ISSB framework.

We are also undertaking a refreshed materiality review which will incorporate views from customers, our team, board members, investors and suppliers. Combined, these workstreams will enable us to refresh our strategy and aspirations.

Our vision is that our customers and team are empowered to create sustainable change.

Our focus areas



1 Sustainable Business

We know building an efficient business, using resources wisely and creating an empowered workforce will allow us to deliver on our customer promise well into the future.



2 Empowered Trade

We want to support our customers to navigate the shift to a more sustainable future. We think this is an opportunity for our industry, and that we have a role to play in helping our trades through it.



3 Resilient Communities

We believe that our business can only grow in communities that are thriving. We want to contribute to building resilient communities in meaningful ways for our customers.

Sustainability oversight

We have a decentralised business model which empowers our people to take action on sustainability. The Reece Limited Board (the Board) has oversight of our sustainability strategy. Our Group and Regional CEOs are responsible for overseeing the strategy. Cross-disciplined teams across Reece are responsible for executing programs of work through their

existing teams, or through specific working groups such as ANZ Modern Slavery, ANZ Sustainable Products and Packaging and a range of social impact working groups. Insights are also shared across regions through regular contact between the ANZ and US Sustainability Working Groups.



What we want to achieve



Our environmental footprint is reduced, and our growth is driven by more sustainable business practices.



The mental health and wellbeing of our communities is improved.



Our customers feel supported to work sustainably.



Our people can bring their best self to work in a diverse and supportive workplace.

1 Sustainable Business

Energy and decarbonisation

Our direct footprint

In 2022 we outlined an aspiration to reduce our Scope 1 and 2¹ greenhouse gas (GHG) emissions from our operations as part of our commitment to lower our environmental footprint.

As a large trade distribution business, our direct emissions are weighted to our significant branch network and vehicle fleet.

Emissions reduction aspirations



35%

reduction from FY21 baseline by FY30.



Net zero

Scope 1 and 2 emissions by FY40.

Network

Reducing emissions in our branch network will initially be delivered through:

- the rollout of solar energy and LED lighting.
- upgrades to energy efficiency in our distribution centres.
- upgrades to HVAC systems.
- use of renewable energy (delivered in New Zealand in FY22).

During the year, we completed a feasibility project to determine the scale and pace of future activity to reduce emissions. We engaged an energy specialist to complete an energy audit at our most intensive energy sites in Australia which helped to identify clear areas of priority in our roadmap of activity to 2030. In FY24 this will include energy efficiency upgrades in eight ANZ distribution centres, as well as an increased pace of solar and LED rollout.

We are also undertaking a similar energy audit in the US.

Fleet

The distribution of products around our network and to our customers through a large vehicle fleet is core to our business model and our customer promise. A reduction in emissions from our fleet will be primarily delivered through a transition to electric vehicles (EV).

We know we are likely to face complexities in this transition, including limited EV market availability to meet our fleet requirements.

In FY23 we used an external consultant to progress our transition planning and conducted an EV trial in Victoria, Australia. We will continue scaling trials as new commercial EV technologies become available, including two EV trials in California early in FY24.

As we have been clear about in the past, we know the speed of EV availability will be a key risk in the execution of our emissions reduction strategy.

Our extended environmental footprint

In FY23 we began a process to quantify Scope 3² emissions by determining our measurement approach, utilising the GHG protocol. We expect to complete our initial measurement of our Scope 3 emissions in Australia in the first half of FY24. We will then review the process before expanding analysis across regions.

Waste management

In FY23, we generated 20,465 metric tonnes of waste, with 19% diverted from landfill, and we know we need to do more to improve this.

To assist this, in FY23 we conducted a waste audit across branches and distribution centres in our Australian operations, including external audits at 10 sites and a further 70 audits and reviews through our internal compliance team. In FY24, we will use these findings to advance our approach.

¹ GHG emissions generated directly and indirectly from our operations.

² GHG emissions generated indirectly upstream or downstream of our operations.

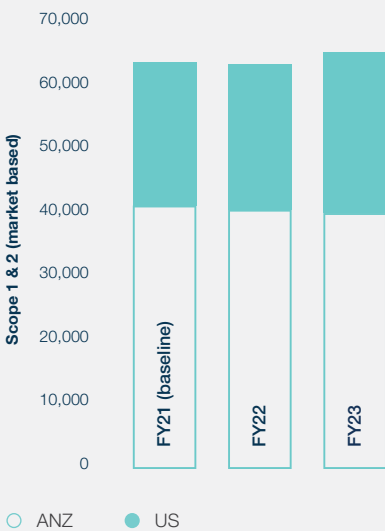
Emissions outcomes in FY23

In FY23, total Scope 1 and 2 greenhouse gas emissions for Reece Group were 65,586 tonnes of carbon dioxide equivalent (tCO₂-e), calculated on market-based methodology to reflect our use of renewable energy. This represents a 2.3% increase on our baseline (FY21).

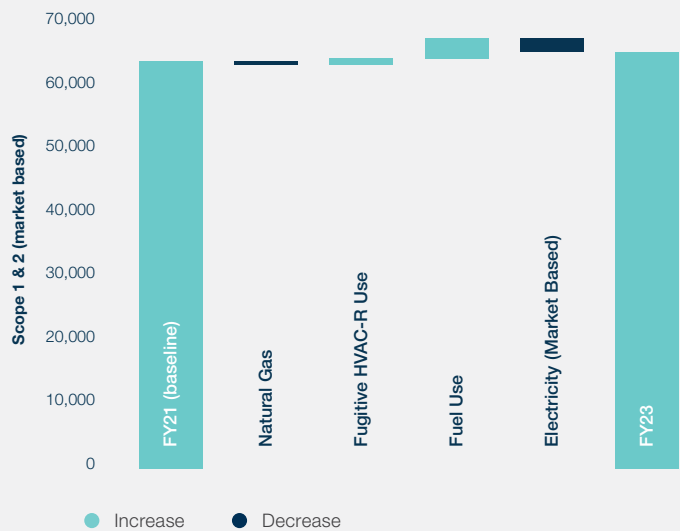
The majority of this increase has been driven by fuel use from our large delivery fleet, reflecting the significant growth in the business over the period, and growth in the fleet itself. Electricity consumption has increased by 4.9% at a Group level, while electricity emissions decreased by 7.8%, reflecting decarbonisation of the electricity grid.

This result is in line with our expectations at this early stage of executing our sustainability strategy. When we set out our aspirations to reduce our carbon footprint, we knew it would take time for our efforts to reach scale and have impact. We have plans to increase the pace of operational change and activity in the coming years.

GHG emissions (tCO₂-e)



Change in GHG emissions (tCO₂-e) since baseline



70+ Targeted Solar PV installations in FY24.

19% Waste diverted from landfill in FY23.

100% Renewable energy in New Zealand since FY22.



Energy audits conducted at eight energy intensive sites in FY23.



Waste audit conducted in Australia in FY23.

Sustainable Business cont.

Our people are at the heart of our business and drive our success.



Health and safety

We are committed to providing a workplace where everyone can leave work in the same or better condition, physically and mentally.

ANZ

Reece's 'SafeR' Management System manages and controls the processes that make up our SafeR program. The program is underpinned by a risk management approach. We track lead and lag indicators and have internal targets in both areas, supported by a wide ranging approach to training, network safety rhythms and team awareness.

The past three years have been challenging from a safety perspective, with the combination of restricted preventative activity during COVID, a very high period of demand in branches, an increase in staff absences, and a tight labour market driving a higher proportion of new team members. As a result, while the total number of injuries at work was lower this year, we have seen our LTIFR score increase from 6.9 to 8.9 in FY23.

To address this change, we have concentrated on using data and insight to understand this trend then reviewing key initiatives and are focusing on improvement in FY24.

US

In the US, we have also worked hard to embed safety practices over the past five years. Supported by the same SafeR standards as ANZ, our branches in the US have a program of self audits, monthly safety meetings in branch with a range of specific themes, and an annual safety audit of each branch.

The US LTIFR result was 2.1 in FY23, a small increase from 2.0 in FY22. We know there is further work to do on this important topic. We will continue to use data and insight to target improvement where it is needed most, and to understand the cultural differences in reporting and ways of working on safety in the US.

8.9 ANZ LTIFR rate in FY23, up from 6.9 in FY22.

2.1 US LTIFR in FY23, up from 2.0 in FY22.

28k Branch led 'Safety Walks' in ANZ in FY23.



Helping our people feel their best

In ANZ, we have a well-established Reece wellness program which addresses physical, mental, and social wellbeing. In FY23 we embarked on a consultation and plan to launch a refreshed strategy, 'Thriving Workplace', in FY24. At the same time, we have continued to run a range of program initiatives such as mental health training for leaders and are launching a traumatic event response guide.

In the US, we have been focused on developing a strong employee value proposition since 2018. Our priority focus has initially been on building a strong culture and a training and

development to support our growth as a business. We have also put building blocks in place to support team wellbeing, including an expanded Employee Assistance Program, implementing an increased US pension scheme matching program (401(k)), and establishing a wellbeing program that enables team members to reduce insurance premiums.

In FY24 we will be reviewing current areas of activity to drive engagement and outcomes, and hope to further develop our wellbeing program in coming years.

We want everyone to thrive at Reece, and we are committed to providing a safe workplace.

Sustainable Business cont.

Building a more diverse and inclusive workplace

We are passionate about developing and celebrating a diverse workforce where everyone feels included. This is at the heart of our values as a business. We know it helps us collaborate more effectively and drives better outcomes.

A significant challenge, and opportunity, today is gender diversity. We work in a heavily male dominated industry, with female plumbers estimated to be around one per cent in Australia¹. We have a role to play in changing this, both in our business and the industry. We also know it might take time, particularly in our decentralised, customer-facing operational network.

In our ANZ business, we have a policy setting out our approach to diversity and inclusion, which is supported by online learning modules on topics such as equal opportunity, anti-harassment and the benefits of promoting diversity in the workplace.

We have a quarterly forum overseeing the full approach, and working groups which set strategy and activity on key topics. In FY24 we will be doing further work to assess the effectiveness of our strategy, with a view to refreshing our approach to make sure it continues to have impact.

In the US we have been concentrating on embedding a strong and inclusive culture. The next step will be to learn from our progress in ANZ and apply a more formal approach to accelerate our progress.

Reece Pride



Reconciliation



ANZ Diversity Forum



NZ Diversity & Inclusion



Women@Reece

22%

Group total female headcount (FY22: 22%).

1%

estimated number of female plumbers in Australia.

Diversity at Board level.

We are committed to diversity on the Reece Group board, which we believe drives positive outcomes. Today, five of our six Board members are male, four of whom are representatives of the Wilson family, who own a significant majority of the business.

While we see it as important to retain the important contribution of the Wilson family we have been conducting an extensive search for an additional female independent director and expect to be in a position to confirm this appointment in FY24.

¹ <https://labourmarketinsights.gov.au/occupation-profile/plumbers?occupationCode=3341>.

Growing and developing our team

As a service-based business with a proud culture, growing and developing our people is a key priority. We focus on developing future leaders and high-performing teams through personalised and focused learning experiences.

In ANZ, our bespoke online learning platform, LXP, is at the core of our approach and provides access to upskilling programs across a wide range of disciplines, such as trading, health and safety, compliance topics and leadership skills.

In the US, developing our team has been a top priority for the past five years since we acquired the business. Key initiatives which we have designed, launched and rolled out in recent years include our IMPACT Graduate program which fast tracks college graduates through the business and an 'RU Ready to Lead' program for new leaders in our branch networks.

We measure the outcomes of our learning and development programs regularly, through employee engagement surveys, turnover reduction metrics and other factors, and are very pleased with the positive results to date.



“RU Ready to Lead has helped me to challenge myself to be a better communicator and team leader.”

Trey Peterson – RVP Fortiline and RU Ready to Lead participant (US)

600

participants in US RU Ready to Lead program since launch in FY22.

140+

ANZ people system developments and enhancements deployed in FY23.

50%

reduction in turnover in new starters who complete our new ANZ branch fundamentals program.

180k+

completions of instructor led training or online learning modules in ANZ in FY23.

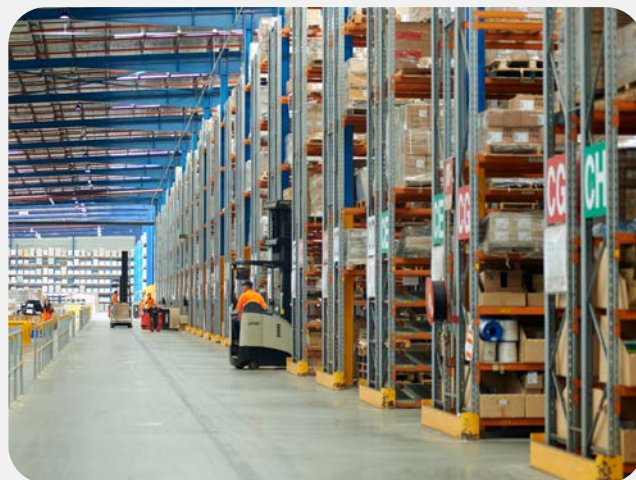
Sustainable Business cont.

A responsible supply chain

We are committed to addressing modern slavery risks in our business. We know we have a leadership role to play in our industry, and we are working hard to upskill our team and work collaboratively with suppliers.

We have made progress in recent years across both our ANZ and US regions, but know we have more to do. We were pleased to work with external expert The Freedom Hub in the second half of FY23 to review our current activity and develop a clear three year plan for our ANZ business, which has also been shared with the US team.

A full overview of our approach and progress on this topic is contained in our FY23 Modern Slavery statement on the Reece Group website.

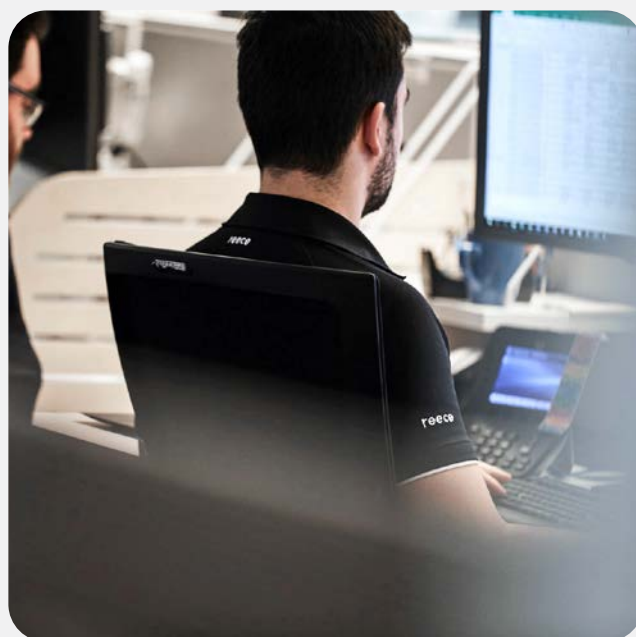


Data protection, cyber security and privacy

Our information security teams work hard to minimise our risks and continue to make significant investments in defensive cyber security tools, resources and practices to ensure we are increasing our security posture. Our aim is to keep our systems safe from unauthorised access, protect sensitive applications and data, and maintain the confidentiality, integrity and availability of our systems.

This work is informed by our risk-based cyber-security strategy, which is guided by the Privacy Act 1988 and global information security standards such as NIST (National Institute of Standards and Technology). We also operate under regulations such as the California Consumer Privacy Act (CCPA).

In FY23 we conducted an extensive program of activity to minimise risks and test our systems as well as prepare the business to respond appropriately to any incidents, and educate our team. These included numerous forms of penetration testing, cyber simulation and education campaigns and activities. We also conducted an external audit of data and privacy in ANZ and an internal review in the US.



4 major cyber and data risk exercises undertaken.



3.5k Employees covered in security phishing campaigns.



Multiple data audits and reviews conducted across the business.



Case study

Trialling Electric Vehicles

In FY23 we began an electric vehicle trial in Victoria to learn more about what transitioning our fleet would involve.



We began our trial with a commercial van in our inner city store of Port Melbourne, Victoria, where we were using the electric vehicle for customer deliveries. The van then transferred to our regional Albury Wodonga branch where greater range was required, and the vehicle has now moved to our National Distribution Centre where it is being used to move product through our networks.

We were able to draw important key learnings out of the trial - for example the 'actual' range with a full load versus the anticipated range and the impact on our customer delivery promise if we have vehicles out of action for charging. We also had to make arrangements to adapt key policies like power shutdowns at our branches overnight to allow for vehicle charging.

We will take our learnings from this trial to assist us to prepare the business for a scale up of EV over the coming years.

“We were able to learn and adapt through the trial, and took away key learnings for the future.”

Sam White, NowGo Lead (Last Mile Delivery Leader)

2 Empowering Trade

We see an opportunity to support our customers to navigate the shift to a more sustainable future.

Sustainable products and solutions

Our vision is that over the coming years we will be able to act as a partner for our customers by providing products, solutions, knowledge and insight about adapting to a lower carbon world.

We remain in the early stages of our strategy and we have brought in further resources to assist us in this area in FY24 given the growing need.

Sustainable products

Given the nature of our industry, we have a particular focus on water efficiency. Following a review of all Water Rating Labels (WELS) in FY22, we committed to cease selling 0- and 1-star rated products by the end of FY24, with limited exceptions, such as for replacement parts. We delivered this outcome ahead of schedule in FY23, and are now reviewing our options to phase out 2-star rated products.

Other examples of sustainable products we have introduced include:

- our Henden pool range, including Solar Pool Covers with a Smart Approved Watermark from the WSAA and which reduces heat loss and water evaporation.
- smart irrigation products from Rain Bird which are designed to increase water efficiency and efficacy, including a HE-VAN nozzle which allows sprinkler run time to be reduced by up to 35% thanks to reduced misting and airborne evaporation.

Product lifecycle and reducing waste

Our aim is to work in partnership with our suppliers to deliver sustainability solutions for product lifecycles and reducing waste. As part of this approach, we are a member of the Australian Packaging Covenant Organisation (APCO).

We are at an early stage in our approach on this topic, but continued to work with a range of suppliers and partners in FY23 to eliminate problematic packaging and trial circular solutions such as PVC recycling.

Our Australian Tool Services Department is an example of a circular economy initiative which offers our customers preventative maintenance on our Rothenberger range, extending the life of the tool products. We have grown this service in FY23 by expanding our team and focusing on reducing lead times, servicing over 9200 tools for customers this year.

Supporting an industry of the future

With a shortage of trades a growing problem, we have always been passionate about getting young people excited about the opportunities our industry can offer. We support a thriving trade workforce by supporting the TAFE and school network to get young people into the industry by providing access to training materials and through our program visiting schools, TAFEs and Master Plumber training schools to host workshops, teach critical skills and provide insights into our industry.



Case study

Tackling single use plastic bags

As consumers and governments have become increasingly aware of the need to reduce single use plastic, legislation relating to single use plastic bags has been changing around Australia.



We knew this would be a challenge for Reece. Our customers often work outdoors, where traditional plastic bags end up in landfill, or loose on the worksite. The bags are typically issued for easy-to-lose items like clips and washers, or small heavy items like copper fittings, so a straight switch to a supermarket style paper bag was not going to be the answer for us.

We mapped the lifecycle of a single-use bag, from how we source, store and distribute to our branches, how bags are used in the branch for moving goods around, and how our customers use the bag from store to vehicle and vehicle to place of work.

Following the consideration of a number of re-usable and returnable options, we determined a heavy-duty paper bag as the best immediate compromise between ease-of-storage, being fit-for-purpose and being sustainable based on the intended lifecycle. The team continued to work on a lower cost bag that has been specifically developed for Reece – holding around 50% more weight than a supermarket paper bag, Using FSC certified paper, and tested to carry product from

We have trialled different options and made amendments based on our findings.

store to vehicle, and vehicle to site – ensuring our product quality is maintained all the way to where it's needed most.

The team will continue to develop and trial other re-usable options, to give our customers more choice and further reduce waste. Deploying this initiative across our Australian business will allow us to phase out almost 2.9 million single-use plastic bags used annually.

3 Resilient Communities

We're committed to empowering our teams and customers to create positive change in the communities we are proud to be part of, and work with, every day. Working in partnership, our goal is to create more sustainable and resilient communities.

We focus our efforts across four key areas, informed by what matters most to our people, customers and where broader stakeholders feel we can have the biggest impact.



1 Clean water and sanitation

We believe that all people should be able to access clean water – it's at the heart of our business. In partnership with the Reece Foundation we work with our customers to provide communities most in need with access to clean water and sanitation.



2 Improving the mental health of the trade

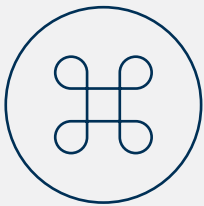
We want to work with the industry to reduce the high level of suicide among construction and trade workers, in partnership with Mates In Construction Australia and New Zealand. We focus on normalising help-seeking to support the mental health and wellbeing of our teams and customers.

We focus on what matters most to our customers and communities.



3 Supporting young people to discover their best

Reece has a long history of believing in the potential of young people and supporting them to develop long, rewarding careers at Reece. We work with organisations such as the Reach Foundation to support programs that build resilience and encourage young people to discover a career they love.



4 Working towards reconciliation

We are committed to reconciliation, working with Aboriginal and Torres Strait Islander peoples - listening, learning, and gaining a greater understanding of the role Reece can play in moving toward a more equitable Australia, through our Innovate Reconciliation Action Plan (RAP) goals.

Making progress towards our goals in FY23

19.9k

people provided with access to clean water and sanitation through the Reece Foundation.

72

flood impacted households in Lismore had clean water and sanitation restored.

80%

of Reece New Zealand teams completed Mates in Construction³ general awareness training.

1.9k

students supported to attend Reach Foundation workshops.

14

Clontarf Foundation⁴ students employed in Reece school based traineeships.

³MATES is an Industry backed, research-based, suicide prevention and support program since 2008, operating in the Construction, Mining and Energy industry. For more information see page 24. ⁴The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men. See page 24 for more detail.

Resilient Communities cont.

reece foundation

Sustainable water solutions, created in partnership with communities

The Reece Foundation was established in 2022 as an independent charity to empower trades to make a difference and connect their essential skills to communities most in need of access to clean water and sanitation.

It's a shared purpose that is fundamental to Reece and reflects the vital role that water plays as a source of life, dignity, and connection in communities.

The Foundation partners locally and abroad on community-led projects and provides skilled volunteers and grant funding, enabling work that directly aligns to the Sustainable Development Goals (SDGs).

The Reece Foundation measures its impact through improvements in wellbeing as its ultimate indicator, aligned to the Huber Social Wellbeing Measurement Framework.

Aligning to the Sustainable Development Goals

The Reece Foundation consulted with its community partners, stakeholders such as Reece, and its board of directors to understand the priority needs of communities in need of WASH solutions and set targets for contributions towards the SDG goals.

A full report of SDG related outcomes will be included in the Reece Foundation FY23 Annual Report on the Reece Foundation website: <https://www.reecefoundation.charity/>

Through the delivery of projects and its grants program, the Reece Foundation has made significant contributions to 7 of the 17 Sustainable Development Goals.



Working with trades to improve access to clean water.

2

major projects delivered in rural Cambodia and Lismore, Australia.



23

life-changing volunteering opportunities for Reece customers.



40

school toilet blocks constructed, keeping girls in school longer.



2.7hrs

on average are saved daily by women walking to collect water through grants in Central Uganda, Northern Uganda and Malawi.



\$147k

of Reece product donated to Reece Foundation for flood affected families in Lismore.



140%+

average positive shift in wellbeing amongst collective grant communities.



9

borewells constructed to allow over 11,000 people access to water in safe walking distance.



2.2k+

hours contributed by volunteer trades.



Case study

Reece Foundation Volunteers

Since the Reece Foundation launched in March 2022, 23 Reece customers have volunteered on projects in Australia and Cambodia.



Volunteers Justin Cooper and Carl Bushby

in different ways, working together we got the job done. It was an amazing experience to give your knowledge, and to see the results as a team was pretty special.”

Justin has been a plumber for 11 years, and volunteered on the Lismore project.

“The best part of my experience in Lismore was the people. People had lost faith in the process as they may have already tried to get help and there had been a big gap in time, and despite this, they were so happy to give us the details of what they needed and share their story.

“The friendship between the volunteers was unreal, working with people who put in 100% effort and giving back was so special.”

Across the volunteer group, there was a 9% positive shift in their overall wellbeing during the projects. For Justin, this also translates into his business.

“I’ve always been a big supporter of Reece, you get a level of service you don’t get from other suppliers. When I found out Reece were giving back in this way, no other supplier does this and for that reason I solely use Reece. If I can use a supplier for business, and give back, it’s a win/win.”

For Mick Bourke, and Justin Cooper, it’s been a rewarding experience.

Mick has been a plumber for 40 years, is a customer of the Reece Foster branch, and volunteered for both the Cambodia and Lismore projects.

Reflecting on his experience, Mick said volunteering has given him a new appreciation of the things he is lucky to have in his life, and the value that Australian trades can offer on projects.

“Working with the Reece Foundation has been so rewarding. In Lismore, seeing the expression on people’s faces when they were able to go back to their home and have water and a shower was amazing.

“We have a lot to give as trades. Working in Cambodia with the local tradespeople, they are so hardworking, and while we couldn’t speak each other’s languages, we communicated



Volunteer Mick Bourke

Resilient Communities cont.



Supporting the wellbeing of the trade

MATES is an Industry backed, research-based, suicide prevention and support program since 2008, operating in the Construction, Mining and Energy industry. Reece partners with MATES in both Australia and New Zealand to deliver mental health training to our team members and customers and enable the MATES team to provide support to trades through their 24/7 support line.

We've supported MATES to deliver over

600hrs

of counselling support to the trade through a collaboration with the MATES hotline and our EAP service, Assure.



13

branches have a trained 'Connector', and our Christchurch branches are MATES accredited hubs.



clontarf foundation

Enabling career pathways at Reece

The Clontarf Foundation exists to improve the education, discipline, life skills, self esteem and employment prospects of young Aboriginal and Torres Strait Islander men. Our partnership with Clontarf supported 50 students to attend Clontarf Academies in FY23, and our branches have strong relationships with their local Clontarf team, enabling work experience and employment opportunities.

200+

students attended Reece branch visits.



14

students employed in our school-based traineeship program.



Case studies

Working together to create change

New Zealand Region Leader, Kurt Linke, enables his teams to take part in MATES training.

Kurt has seen the MATES Field Officers build a great relationship with Reece branches, creating opportunities for our team members and customers to reach out for a chat.

“The MATES partnership hasn’t just remained a concept; it’s spurred real change in the conversations with our people and customers who visit our branches.”

For Nate Tairea, Mates Field Officer, the Reece relationship is one important part of the industry working together to create change.

“The success of the MATES program here in Aotearoa is only possible through an industry-driven approach. The team at Reece faces a unique challenge as they serve as conduits within the local construction community, allowing MATES in Construction to reach a far greater number of those in need. It has been a pleasure visiting various

Reece branches nationwide and witnessing not only the growing confidence in addressing the issue of suicide prevention but also the pride that comes from actively contributing to positive change within the industry.”



Supporting Clontarf students

Michael Pears is a Branch Manager who has been working with the Clontarf Foundation since 2016.



Passionate about supporting young people to be their best, Michael’s branch in Dubbo aims to always have a Clontarf student participating in Reece’s Australian School-based Apprenticeship (ASbA) program.

“One of our very first Clontarf students, Zac, who took part in our school-based traineeship, became a permanent member of our team after finishing school. He brought a great energy to our team and we’re now excited to see Zac take on a plumbing apprenticeship with one of our customers.”

Reflecting on his experiences with Clontarf and working at Reece, Zac said, “The Clontarf Foundation and Reece’s ASbA program really encouraged me and supported me throughout school and my time growing up. They helped me achieve a level of maturity that would further help me when entering the workforce. I strongly encourage the next generation of students to stay connected with Clontarf as well as take the opportunities when they are presented to you.”



About this report

Included on the following pages is supplementary sustainability performance data for the Group for FY23.



About this report

This report aims to summarise Reece Limited and its subsidiary companies' performance and approach to sustainability in the year ended 30 June 2023.

Reece Group has reported the information cited in this GRI content index for the period 1 July 2022 to 30 June 2023 with reference to the GRI Standards. Our carbon emissions report seeks to align with the Greenhouse Gas Protocol for carbon emission reporting.

This report should be read alongside our suite of reporting documents, including our 2023 Annual Report, Corporate Governance Statement, Modern Slavery Statement and related sustainability reporting available on the Reece Group website.

This report has been approved by the Reece Limited Board.

For enquiries, please contact
investor.relations@reece.com.au

Supplementary sustainability performance data

Environmental

Energy and decarbonisation (GJ)

Source	FY23	FY22	FY21 (baseline)
Natural Gas	31,246	40,837	40,680
Electricity	188,662	184,317	179,809
Fuel Use	527,609	484,835	481,561
Total	747,518	709,989	702,050

Renewable electricity (kWh)

Source	FY23	FY22	FY21 (baseline)
Total electricity	52,406,659	51,199,053	49,704,970
Total electricity from renewable sources	8,687,972	6,969,571	6,612,746
Share of electricity from renewable sources	17%	14%	13%

GHG emissions (tCO₂-e)

Scope	FY23	FY22	FY21 (baseline)
Scope 1	39,891	36,567	36,238
Scope 2 ¹	25,695	27,216 ²	27,865 ²
Total	65,586	63,783²	64,102²

¹ Greenhouse gas (GHG) emissions have been calculated using market-based methodology

Scope 2 GHG emissions (tCO₂-e)

Calculation method	FY23	FY22	FY21 (baseline)
Market-based	25,695	27,216 ²	27,865 ²
Location-based	26,374	29,322	29,074

² Previously reported scope 2 market-based GHG emissions updated for correction of an error in emissions factor applied.

Environmental cont.

Waste management (metric tonnes)

Destination	FY23	FY22	FY21
Landfill	16,590	16,956	17,394
Recycled	3,875	3,747	3,843
Total	20,465	20,703	21,237

Diversity and inclusion

Team members (headcount)

Group Total	FY23	FY22
Employees	9,034	8,911
Contractors	834	844

Employees by Contract Type and Gender	FY23				FY22			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Full-time	1,634	6,674	61	8,369	1,609	6,624	54	8,287
Part-time	320	241	14	575	297	219	5	521
Fixed-term	10	16	2	28	20	24	1	45
Casual	12	48	2	62	11	46	1	58
Total	1,976	6,979	79	9,034	1,937	6,913	61	8,911

About this report

cont.

Diversity and inclusion cont.

Employees by Region	FY23				FY22			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Australia	1,365	4,052	78	5,495	1,318	4,011	60	5,389
New Zealand	73	201	-	274	77	188	-	265
USA	538	2,726	1	3,265	542	2,714	1	3,257
Other	-	-	-	-	-	-	-	-
Total	1,976	6,979	79	9,034	1,937	6,913	61	8,911

Employees by Age Group	FY23				FY22			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Less than 30	644	1,955	19	2,618	631	1,970	22	2,623
30 – 49	940	3,199	37	4,176	946	3,288	28	4,262
50 and above	392	1,825	23	2,240	360	1,650	10	2,020
Not disclosed	-	-	-	-	-	5	1	6
Total	1,976	6,979	79	9,034	1,937	6,913	61	8,911

Employees by Category & Gender	FY23				FY22			
	Female	Male	Gender X*	Total	Female	Male	Gender X*	Total
Board	1	5	-	6	1	5	-	6
Key Management / Head of Business (CEO)	15	41	2	59	14	35	2	51
Senior Management	22	115	2	139	21	99	-	120
Managers	354	1,927	12	2,293	321	1,879	5	2,205
Team Members (non Manager)	1,584	4,892	63	6,539	1,580	4,896	54	6,530
Group Total	1,976	6,979	79	9,034	1,937	6,913	61	8,911

Peter Wilson, as both Group CEO and Board member, is counted as both a male Board and Key Management employee in both FY22 and FY23. Consequently, the Male Group Total, and the Overall Group Total for both FY are reduced by 1 to account for this dual role.

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

Health and Safety

Safety	FY23	FY22
LTIFR ⁴ Rate – ANZ	8.9	6.8
LTIFR ⁴ Rate – US	2.1	2.0
Fatalities – Group	-	-
SafeR Walks Completed - ANZ	27,806	27,715

⁴ Lost time injury frequency rate, per million hours worked.

FY23 ANZ Mandatory Training Programs

Topic	Annual Completion Rate
Anti-Bullying and Anti-Harassment	98%
Anti-Competitive conduct	98%
Consumer protection and unfair business conduct	97%
Equal Employment Opportunity	98%

Additional mandatory annual training being implemented in FY24: Workplace health and safety, Chain of responsibility, Cyber security, Privacy, Modern Slavery.

FY23 Mandatory Board Training Program

Topic	Attendance
ESG Legal and Regulatory	100%
Continuous Disclosure refresher	100%
Securities Trading refresher	100%
Whistleblower refresher	100%
Cyber security and data protection	100%

GRI Content Index

Statement of use: Reece Limited has reported the information cited in this GRI content index for the period 1 July 2022 - 30 June 2023 with reference to the GRI Standards.

GRI 1 use: GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Reece Limited is a publicly listed company; Headquarters - 57 Balmain Street, Cremorne, Victoria, Australia. Our operations are located in Australia, New Zealand and the United States of America.
	2-2 Entities included in the organisation's sustainability reporting	AR: page 83
	2-3 Reporting period, frequency and contact point	Reporting period for SR and AR: July 1 2022 - June 30 2023; Reporting Frequency: Annually Contact: investor.relations@reece.com.au
	2-6 Activities, value chain and other business relationships	MSS: page 12-13*
	2-7 Employees	SR: pages 29-30 (FTE figures reported as at 30 June).
	2-8 Workers who are not employees	SR: page 29
	2-9 Governance structure and composition	CGS: pages 5-9
	2-10 Nomination and selection of the highest governance body	CGS: page 5-9
	2-11 Chair of the highest governance body	CGS: page 9
	2-12 Role of the highest governance body in overseeing the management of impacts	CGS: page 7*
	2-13 Delegation of responsibility for managing impacts	SR: page 9
	2-14 Role of the highest governance body in sustainability reporting	SR: page 9
	2-15 Conflicts of interest	CGS: page 7
	2-16 Communication of critical concerns	CGS: page 18
	2-17 Collective knowledge of the highest governance body	SR: page 9
	2-18 Evaluation of the performance of the highest governance body	CGS: page 7*
	2-19 Remuneration policies	AR: pages 36-49
	2-20 Process to determine remuneration	AR: page 36
	2-21 Annual total compensation ratio	AR: page 39
	2-22 Statement on sustainable development strategy	SR: page 4*
	2-23 Policy commitments	CGS: page 18*
	2-24 Embedding policy commitments	Embedding of different policy commitments are outlined across multiple reports including AR, CGS, MSS, SR*
	2-26 Mechanisms for seeking advice and raising concerns	To support all persons, our employees and suppliers can anonymously raise concerns of misconduct through our external whistleblowing service PIPE UP. This can be accessed on the below online portal or via phone, both of which are available from 9am to 12 midnight (AEST). Portal - https://secured1.yourcall.com.au Code: PIPE1234 Phone Number: 1300 790 228
2-27 Compliance with laws and regulations	During the reporting period, Reece Limited and its subsidiaries have not identified any instance of non-compliance against applicable laws and regulations.	
2-29 Approach to stakeholder engagement	SR: page 4, CGS page 16	
2-30 Collective bargaining agreements	None	

Key

AR: 2023 Annual Report

SR: 2023 Sustainability Report

CGS: 2023 Corporate Governance Statement

MSS: Modern Slavery Statement

All documents available on the Reece Group website

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	pages 12
	3-2 List of material topics	See sub-headed topics under 3 strategy pillars page 18-49
	3-3 Management of material topics	See sub-headed topics under 3 strategy pillars page 18-49
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR: page 28
	302-4 Reduction of energy consumption	SR: page 28
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR: page 28
	305-2 Energy indirect (Scope 2) GHG emissions	SR: page 28
GRI 306: Waste 2016	306-3 Waste generated	SR: page 29
	306-4 Waste diverted from disposal	SR: page 29
	306-5 Waste directed to disposal	SR: page 29
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR: page 12
	403-2 Hazard identification, risk assessment, and incident investigation	SR: page 12
	403-3 Occupational health services	SR: page 12*
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR: pages 12*
	403-5 Worker training on occupational health and safety	SR: pages 12*
	403-6 Promotion of worker health	SR: pages 12*
	403-9 Work-related injuries	SR: page 31*
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	SR: pages 15
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR: pages 29-30
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	MSS*
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No notifiable breaches.

NB: * denotes partial disclosure against Standard.

Reece Limited
A.B.N. 49 004 313 133

reece
group™