

## **ASX Announcement**

22 March 2022

### **Social Impact Report 2021**

Reliance Worldwide Corporation Limited (ASX: RWC) has today released its Social Impact Report 2021. A copy is attached.

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This announcement has been authorised for release by the Company Secretary.





Reliance Worldwide Corporation

# Social Impact Report 2021





## Our journey

In 1936, our founder Henry George Fredline began tinkering with and re-engineering a pressure-reducing valve in the boiler room of a Brisbane factory. From that moment, the innate culture of ingenuity, raw ambition, and sheer determination set RWC on a path of success, only made possible by an alliance of minds rich in diverse ideas and experiences. It is in this spirit that we continue to build our data-driven social impact for the next generation.

## Thinking beyond our products

Our products are known for disrupting the industry in positive, impactful ways. We have always focused on developing products that make life easier, more efficient, and safer for trade professionals. This commitment to the health and safety of our customers is naturally evolving to incorporate more specific strategies for protecting and preserving our planet in a time of considerable concern for our climate.

The report references the Global Reporting Initiative (GRI) Standards 2016 and Task Force on Climate Related Financial Disclosures (TCFD), as detailed in the GRI Index and TCFD Index on pages 19-21. If you have any questions or feedback regarding this report or its content, please contact: [investorrelations@rwc.com](mailto:investorrelations@rwc.com).

Note: Our third RWC Social Impact Report focuses on our performance from 1 July 2020 to 30 June 2021.

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RWC Dandenong  
Melbourne, Australia



Dear Stakeholders,

**We are pleased to present our third annual Social Impact Report. Authenticity and transparency are of utmost importance as we integrate our sustainability journey into our core business strategies at RWC. This year, we began laying the critical groundwork by establishing our baseline for Scope 1 and Scope 2 greenhouse gas (GHG) emissions.**

During Fiscal Year 2021 (FY2021), our organisation has displayed remarkable resilience in the face of persistent social, economic, and global health challenges. The RWC approach has always been to work together as a team to identify positive opportunities for disruption and growth in our industry.

#### **Driving sustainability through business strategy**

At the heart of our evolving strategy is making our customers' lives easier through socially responsible growth and development. Our business strategies are being refined to take account of our baseline emissions data. The data we've collected thus far will be used to develop clear sustainability goals that will inform future business decisions. We will ensure full transparency in this process and provide auditable data supporting each step we take.

From new product development, to responsible supplier partnerships, to lean manufacturing and GHG reduction ambitions, we are committed to setting a clear roadmap for positive change. The acquisition of LCL is a recent example of our commitment to leveraging our manufacturing capabilities more efficiently and with scalable sustainability practices in mind. LCL is one of Australia's largest producers of high-quality copper-based alloys. We are tremendously proud that every kilogram of copper we process is from recycled material.

#### **Regional execution**

Our regional leaders are well engaged with business-led Environmental, Social, and Governance (ESG) initiatives, as their collective resources and energy ultimately will deliver on our tangible sustainability goals. At the Group-level, we are facilitating operational alignment on ESG messaging and targets to ensure our regions are supported with clear plans and measurable action items. Our executives and senior managers have a portion of their Short-Term Incentives (STI) connected to ESG and related cultural and social personal objectives.

“While we continue to evolve, scale, and strengthen our global presence, we are making strides to lay the groundwork for responsible investments in our company's future.”



**Heath Sharp**  
Group Chief Executive Officer



## Environmental

### Building our data-driven targets

It is important to highlight our pivot towards analysis and target setting. This year, we collected critical regional baseline data through our partnership with Schneider Electric. This creates a necessary bridge to future social impact reporting to including clear, tangible targets and how RWC will achieve them along the way.

As we move into our next phase for 2022, we will develop a data-driven strategy focused on decreasing our emissions, moving towards Net Zero. However, it's important to ensure authenticity by thoroughly vetting our interim targets via a clear science-based methodology – a step we will take over this next fiscal year.

Although significant work lies ahead, we are confident that several critical steps have been made towards reducing our carbon footprint.

## Social

### Cultural progress and our people

At RWC, we foster a culture of empowerment and actively encourage the free exchange of ideas. We believe that by giving employees the platform and tools to succeed we will quicken the process of ingraining sustainability as a core tenet of our global culture.

### Employee surveys and engagement

We believe that engagement is fundamental to nurturing a culture of smart and sustainable innovation. In 2021, the employee engagement survey, which launched in the Americas in 2018, was expanded to include all regions. This means that for the first time ever, we have a truly global perspective of our employees' views with over 1,600 employees completing the survey.

The results reflect positive incremental improvements from the 2019 survey results. We are proud to have an overall favourability score of 75% across all respondents, a three-point increase from the previous score.

## Governance

### Our committees and commitment to safety

In 2021, we established a Global Environmental, Social, and Governance (ESG) SteerCo to progress our SPIRIT values and Diversity & Inclusion goals. This SteerCo includes three of our Corporate Executives. Further, we determined it was appropriate to establish a Board-led ESG committee, which was formed in February 2022. These actions reflect our commitment to embed sustainability deeply within our culture – top to bottom.

This year, we are also pleased to publish our inaugural response to the Task Force for Climate-Related Financial Disclosures (TCFD) framework. We plan to bring increasing transparency and precision to these responses as we continue our reporting journey.

I was pleased to see the formation of Employee Resource Groups (ERGs) in each region which will enable valuable conversations and engagement around subjects such as cultural diversity, women in manufacturing, and mentoring our young talent.

In addition to our environmental and social aspirations, we plan to address improvements in safety management by investing in additional Health & Safety (H&S) dedicated personnel and comprehensive campaigns to strengthen our safety protocols in all regions. A Board-led Health & Safety Committee was formed in February 2022 to enhance and govern these efforts.

I am encouraged by the passion our employees have shown for sustainability and our developing social impact strategies. I am optimistic that together we will make a positive impact on our communities and our environment in the years to come.

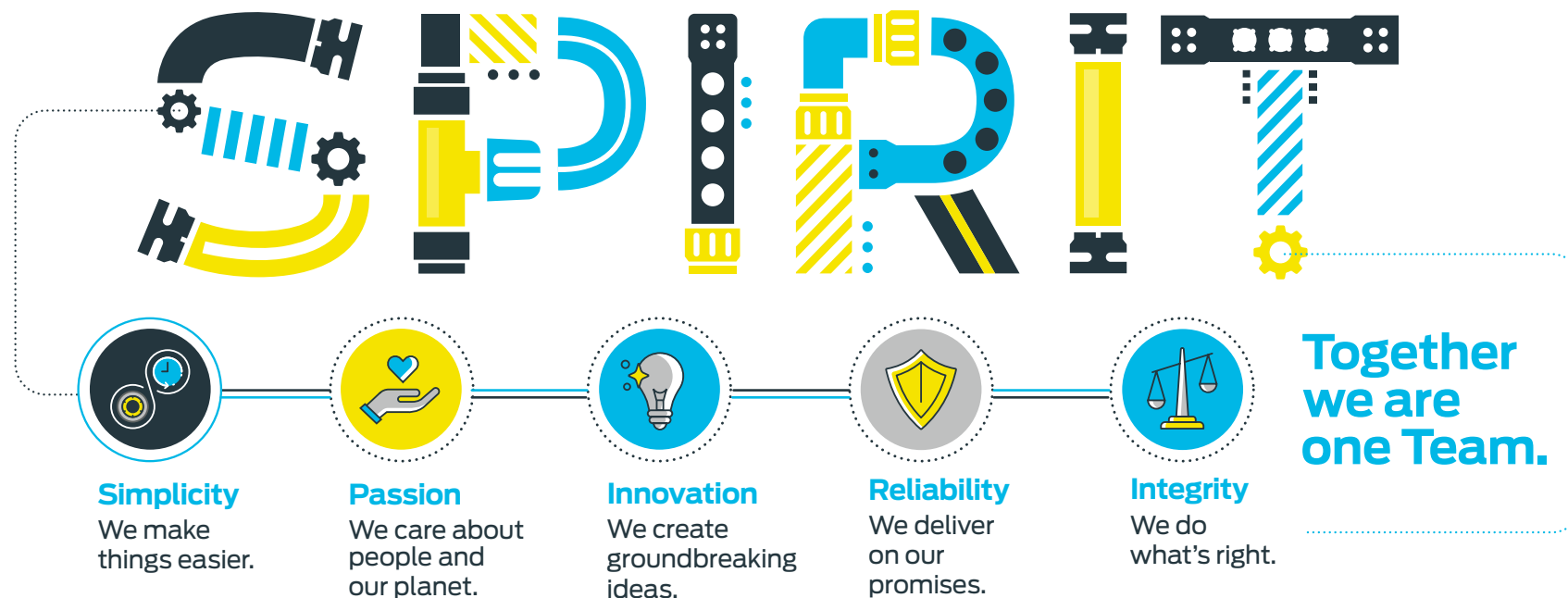


**Heath Sharp**  
Group Chief Executive Officer

## Our values

Our vision is to shape a better world for our customers, employees, wider communities and shareholders through a relentless focus on making lives easier. Our company values help us communicate this focus internally and externally.

Shared values allow RWC to create a sense of unity across the organisation and make an impact on our local communities.



One of RWC's many warehouse teams  
Melbourne, Australia



Highlights

Strength in numbers  
Across the world, RWC  
is making great progress  
towards a positive  
social impact.

Some key metrics are:

75%

Employee engagement survey  
Overall favourability score  
See page 13



41%

Employee engagement  
Health & Safety  
See page 12



\$267kAUD

Community Giving Donations  
See page 16



35.2

metric tonnes  
CO<sub>2</sub>e/million AUD revenue  
See page 9



Emissions  
Intensity

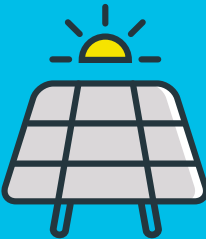
6

million kg

Globally RWC recycles  
6 million kilograms of brass  
See page 11

33%

of RWC's  
manufacturing site  
in Cornwall, UK, is  
powered by solar  
energy  
See page 8



4

Inaugural  
D&I Employee  
Resource Groups  
launched  
See page 15



100%  
recycled

All water used in  
the manufacture  
of our Thermostatic  
Valves in Brisbane,  
Australia, is  
fully recycled  
See page 11



Net Sales

\$1,340 Million AUD



People

2,300+ Employees



Manufacturing

21,500+ SKUs



Holding

600+ Patents

About RWC

Our operations are organised into three regions:

**Americas**  
Regional Headquarters  
Atlanta

**Europe, Middle East & Africa**  
Regional Headquarters  
London

**Asia-Pacific**  
Regional Headquarters  
Brisbane

Global Operating Headquarters  
Atlanta, USA



16 Manufacturing Facilities



21 Distribution Centres



7 R&D Facilities



Note: This map does not include EZ Flo or LCL which were acquired in the second half of 2021



## 2.0

## Our Planet

At RWC, we recognise that climate action is imperative. We acknowledge that, as part of the manufacturing community, we carry a responsibility to evolve our practices and embed sustainability as a core concept throughout our value chain, integrate it into our business strategies, and purposefully thread it into our cultural fabric.



Note: RWC supports the Sustainable Development Goals (SDGs) and where our efforts are aligned with their goals, it is indicated with the icons.

### Balancing operational decisions with responsibilities to the environment and our communities

We know that sustainably operating our business is critical to our long-term success and the health of the communities where we live and operate.

### Encouraging sustainability as an integral part of our company culture

We foster a workplace where sustainability is seen as a key component of our innovative spirit. We begin by capturing and nurturing our employees' passion and eagerness to contribute to making a positive impact on our climate through their work. That leads to new ideas, new successes, and mutually beneficial growth. We are already seeing the fruits of this approach via the voluntary establishment of numerous Employee Resource Groups (ERGs) actively generating social impact conversations and participating in community giving activities.

### Devising and launching initiatives to track targets and data

To move forward in our climate action journey, we are working with Schneider Electric to launch initiatives that will help us set strong sustainability targets and strengthen our sustainability performance.

### Thinking beyond our products

While many of our products innately contribute to improving sustainability through water conservation, supporting public health, and efficiency-improving technologies, we recognise that as a manufacturing business, we need to think beyond our products to ensure that we care for and protect the environment.

### Solar panel savings

Roof-mounted solar panels generate up to 33% of this site's energy requirement. Within the building there is also an innovative lighting scheme that includes daylight harvesting. The plant is A+ energy rated due to its innovative design and energy focus.

John Guest manufacturing site  
Launceston, Cornwall, UK





## Our advancements in scope

We are pleased to report that we have captured our Scope 1 and Scope 2 Emissions data.

### Scope 1 & Scope 2 Emissions | Baseline (July 2020 - June 2021)

We have captured baseline data – a critical step in our climate action journey.

This year, we will set long-term Scope 1 and Scope 2 science-based emissions reduction targets as well as near-term milestones to ensure both immediate and continual progress. The majority of our emissions in FY2021 (71%) resulted from our Scope 2 purchase of electricity.

### Scope 3 Emissions | Building a plan

In the coming years, we seek to understand the impact of our operations beyond our facilities and will undertake a Scope 3 assessment and target-setting exercise with a team of third-party experts.

In addition, we will build a plan to act on our Scope 3 footprint. This will include initiating an engagement programme which will assist us with identifying and prioritising the most important suppliers to engage on decarbonisation and scale the impact of our emissions reduction programme.

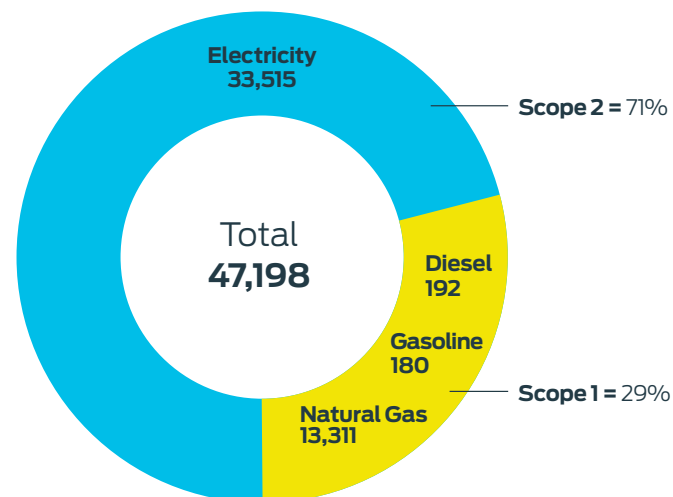
### Waste and water

This year, we will formalise our commitment to reducing waste and water by setting dedicated goals for the reduction and recycling of materials and water conservation in the course of our manufacturing activities.

### Energy Use

As a global manufacturer, our facilities are both a strategic advantage and a significant responsibility. We continually invest in reducing our energy use across our sites. We are focused on improving efficiency through our manufacturing processes, updated machinery, lighting and building systems.

### Global greenhouse gas emissions (metric tons CO<sub>2</sub>e)

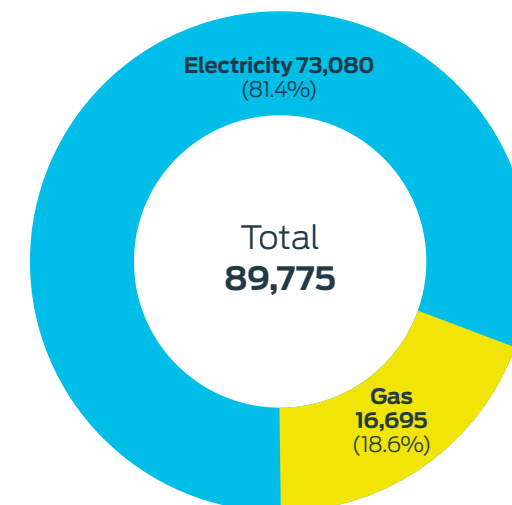


### Emissions Intensity

**35.2** metric tons  
CO<sub>2</sub>e/million AUD revenue

Note: 47.1 CO<sub>2</sub>e/million USD revenue

### Global energy consumption (kWh)



### Energy Intensity

**66** kWh  
/million AUD revenue

Note: 89 kWh /million USD revenue





## Across our global operations, our regions are focused on driving improved sustainability efforts.



### In the Americas

We track metrics that help us reduce supply chain emissions and improve efficiency to minimise the use of natural resources. We also operate our manufacturing in a lean, efficient manner that saves energy and emissions and reduces waste, while increasing throughput and reliability. The region recycles over 120 tons of wood, plastic and paper every month in the Americas.

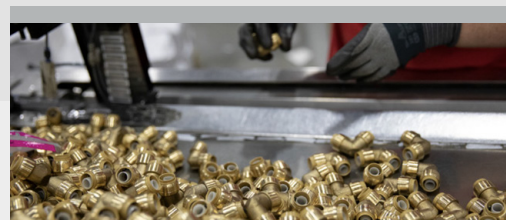
## We are taking action today

Once targets are in place, we aim to develop a clear scorecard mechanism to track and communicate progress across our sustainability key performance indicators both internally and externally. Elements of our business strategy are tied directly to our leadership team's personal performance goals, as well as the Group-level goals which are assessed during performance reviews.



### In EMEA

We track energy usage data for all three scopes, and are making investments in capital equipment that use less energy and gas, modernising processes for moulding, and are producing a greater capacity of products while also reducing electricity input per kilogram of product.



### In APAC

We focus on waste reduction by reusing materials wherever possible. Our brass chips are sent back to the LCL company (which was acquired by RWC in July 2021) that produces the brass to be melted down into new bars. At our factory, we grind plastics into fine pieces and re-introduce to the extrusion process with virgin material.

Note: The recent acquisition of LCL allows us to now control the material life cycle of copper in our Australia consumption of brass.

## Plans for the future

**In 2021, we partnered with Schneider Electric, named the 2021 World's Most Sustainable Company by the Corporate Knights Global 100 Index, to accelerate our energy and emissions reduction programme. Under this partnership, we will:**

### Develop an Emissions Inventory Management Plan

In early 2021, we worked with Schneider Electric to establish an emissions baseline with complete and reliable data across global operations.

### Establish Greenhouse Gas Emissions (GHG) reduction targets

Now that we have concluded our Scope 1 and Scope 2 goals, we are setting our sights on developing a detailed strategic roadmap:

- Identifying areas where our efforts will make the most significant impact.
- Understanding that we must reduce emissions in the various markets in which we operate.
- Outlining near-term milestones on the path to achieving long-term commitments, a project deployment and implementation plan, and the financial implications of our sustainable investments.

### Explore opportunities to procure renewable energy

Directly accelerate the transition to renewable sources around the world and reduce the carbon footprint of our energy consumption.

### Enhance our sustainability reporting

Produce more environmental data and clear quantitative reduction targets.

### Conduct a Scope 3 Supplier Emissions Assessment

To understand the impact of our operations beyond our own facilities, we will undertake a Scope 3 assessment and target-setting exercise with Schneider. We will begin building a plan to act on our Scope 3 footprint. This may include initiating an engagement programme with our suppliers, which will help us identify and prioritise the most important suppliers to engage with on decarbonisation and scale the impact of our emissions reduction programme.



# 3.0

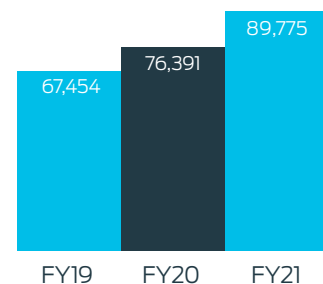
## Operational Excellence

We are continuing to raise our manufacturing standards by executing projects that will reduce our carbon footprint.

We are focusing our efforts on renewable energy, lean manufacturing, and updating machinery to be more efficient.

Our Launceston UK facility upgraded 35+ year old injection moulding machines that had high energy and maintenance costs and low capacity. Our new units consume 18% less energy and have low maintenance costs with an overall 13% increased production output since installation.

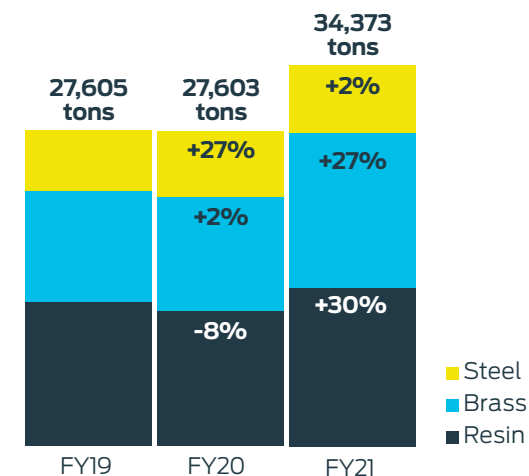
### Total energy use (kWh)



Note: The figures displayed in this report are not externally audited.

As RWC remains committed to reducing our supply chain impacts, we also realise we have much to learn. We are engaging with experts to accelerate our learning, help create roadmaps and determine our goals.

### Raw materials consumed



2021 increase in steel, plastic, brass consumption in all regions is attributed to a 20% increase in demand in the US following a winter freeze in Texas and surrounding states.

# 120+ tons

of wood, plastic and paper recycled per month. The ultimate goal is zero landfill exposure in the future.

### Less plastic waste

Multicavity hot runner tooling is used in West London, UK, to reduce plastic wastage during manufacturing.

## Water recycling in Australia

Our Eagle Farm plant in Brisbane, Queensland, uses water for testing, and consumption is monitored weekly. We recover heat from used water to reduce the energy needed to heat additional incoming water. Water is cycled through this process and stored for eventual use in gardens. Excess is discharged to drain.

# 100%

of the water used to manufacture our thermostatic valves in Brisbane is recycled.





Workplace Health & Safety

It is important to RWC that we are a safe place to work. We are committed to a safety culture that supports the wellbeing of our employees.

Our workplace safety focus includes a strong foundation of safety training programmes, daily stand-up meetings about improvement opportunities, health and safety committees and regular executive reviews of injury data. In FY2021, RWC focused on supporting and improving each region's Health & Safety (H&S) policies and activities. Our FY2021 reportable injury rate came in at 1.21, falling short of our target of 1.11.

Our biggest priority is engaging our people to actively participate in identifying opportunities for improvement. We almost doubled employee health and safety engagement across our operations, from 24% at the start of FY2021 to 41% at year end, nearly achieving our goal of 50%. We have achieved this through encouraging and supporting increased reporting.

During FY2021, almost 10,000 safety observations, near-miss events, and hazards were reported by employees. Each region has implemented global initiatives such as site safety committees and the safety observations process. Our regional health and safety leaders collaborate on a monthly basis to share general knowledge and identify best practices that we can implement across the company.

Global safety performance

	FY19	FY20	FY21
Lost time injuries	15	9	11
Lost time rate*	0.65	0.4	0.49
Reportable injuries	27	28	27
Reportable rate*	1.17	1.23	1.21

\* Rates calculated as 12-month sum of injuries x 100 / average headcount.



John Guest  
West Drayton, UK



# 4.0

## Our Team

Our innovative spirit consistently puts unique product solutions into the hands of our customers. We optimise channel and distributor partnerships and repeatedly raise the bar for success in our industry.

Change requires a solid commitment to sustainable practices. Our culture is built around management integrity, encouraging an open environment for the free exchange of ideas, and empowering our employees in every way possible.

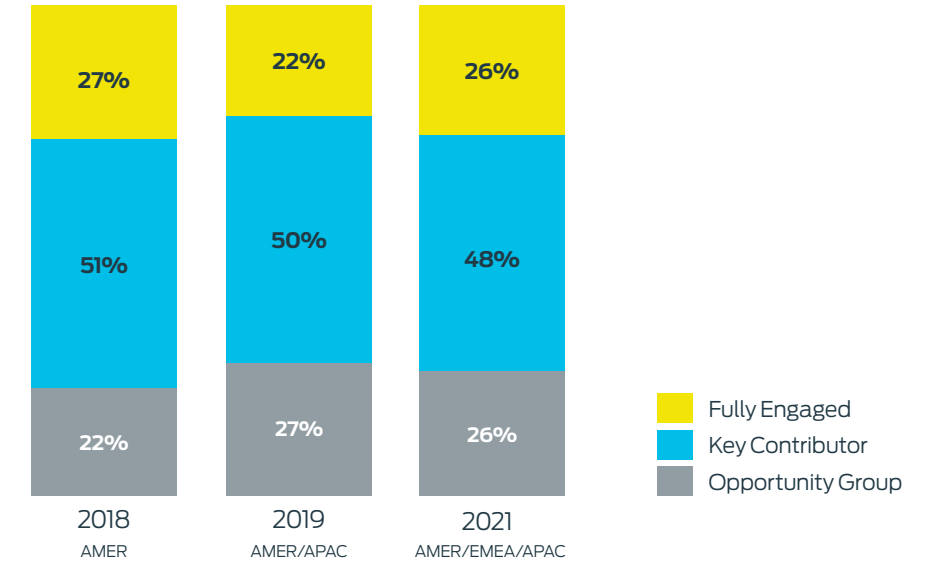
We are focused on actively listening to our employees by providing multiple ways to identify opportunities for improvement. This includes our project and innovation management platform, LaunchPad, and regional-based feedback portals strategically placed online, physically, and on digital boards with QR codes for ease of access.

As part of this effort, the employee engagement survey, which launched in the Americas in 2018, was expanded to include all regions. This means that for the first time ever, we have a truly global perspective of our employees' views with over 1,600 employees completing the survey.

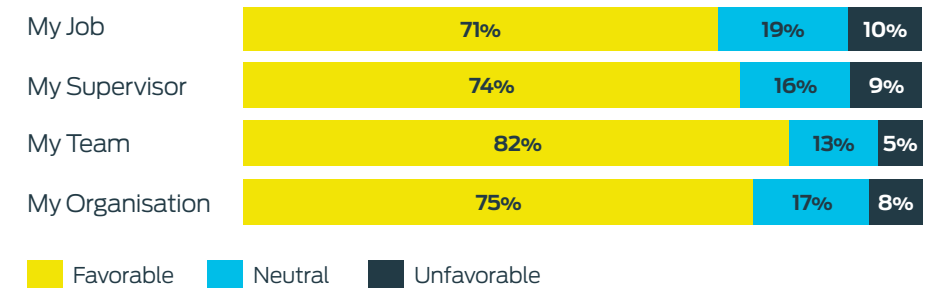
The results reflected positive incremental improvements from the 2019 survey results. We are proud to have an overall favourability score of 75% across all respondents, a 3 point increase from the 2019 score. The favourability score is calculated based on what percentage of the 56 questions were answered favourably with employees answering either Strongly Agree or Agree.

Notably, from 2019 to 2021, the favourability rating for each dimension increased year over year. The questions grouped under 'My Supervisor' had the highest increase, increasing from 69% favourability in 2019 to 74% favourability in 2021.

### Engagement spectrum



### Favourability summary 2021





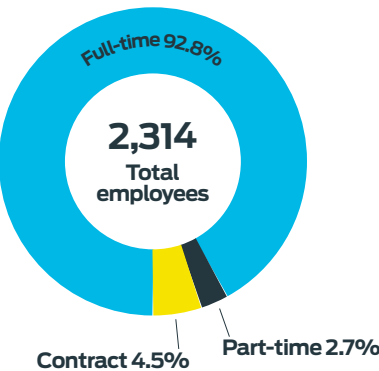
Employee Overview

Our employees around the world make everything that we do possible. We are connected by common goals, shared values and a drive to innovate. We know that maintaining a strong culture is vital. Our business will thrive only if our employees thrive.

Whether working from home, the office, in our distribution centres or out with our customers, our employees stay connected through our SPIRIT values.



Information on employees and other workers



New employee hires and employee turnover

Region	New hires	Turnover	Turnover *
Americas	286	152	22.6%
APAC	57	32	8.06%
EMEA	151	180	16.2%
Total	494	364	16%

\* Majority of turnover tied to work restructuring for efficiency and facility consolidation.

Parental Leave

Region	Employees taking parental leave		Employees returning from parental leave		
	Female	Male	Female	Male	Return %
Americas	9	0	8	0	89%
APAC	1	1	1	1	100%
EMEA (UK)	13	4	9	4	76%
Total	23	5	18	5	82%

“ I am very passionate about sustainability and how organisations can have a positive impact on local communities and unite employees by demonstrating real dedication to positive change.

At RWC, I feel empowered as an Engineer, an Employee, and Change Lead to make recommendations to give us the best chance of successful sustainable outcomes. ”



**Pasha Khan,**  
Business Change Lead  
EMEA

“ Since I joined the company, I have benefitted from cross-functional collaboration with colleagues across engineering, management, and manufacturing to identify opportunities for cost savings and waste reduction.

I am confident that the changes we implement in the future will have an immense and positive impact and will better our foundation for exponential growth at RWC. ”



**William Woods**  
Packaging Engineer  
Americas

## Diversity and Inclusion (D&I)

D&I is tied to our ability to attract, retain, motivate and develop the best talent and create an engaged workforce that serves our customers, ultimately driving business growth.

We strongly believe that greater diversity and the broader experiences it brings to our business creates a higher level of innovation - a core value for RWC.

This year, we expanded the RWC D&I vision to include race, colour, religion, creed, national origin or ancestry, ethnicity, gender, age, sexual orientation, and physical and mental disability.

During FY2021, RWC made significant strides, starting with creating and communicating a Global D&I Plan. The importance of this effort was supported by the **“Together, we are one Team”** SPIRIT values messaging and branding.

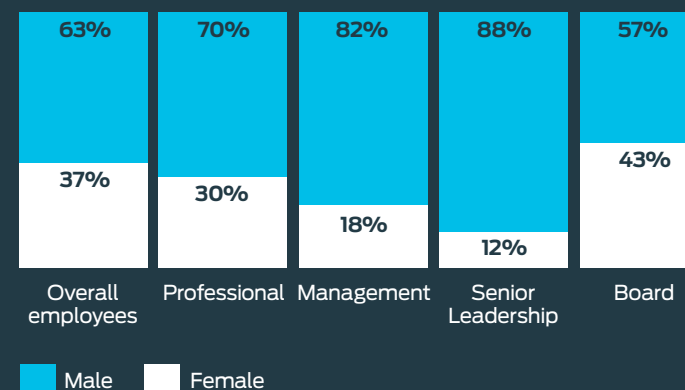
The D&I-specific questions from the employee engagement survey will serve as benchmarks for our plans and progress moving forward. Each region, along with the global team, established D&I Councils and several Employee Resource Groups.

We are actively creating strategies to improve D&I in our Learning and Development programmes, as well as in our recruitment processes.

### Key FY2021 initiatives by region included:

- **Americas** D&I Council's Cultural Heritage Team coordinated events and activities to drive education and awareness including a Virtual Panel discussion for Asian American and Pacific Islander month.
- **APAC** focused on highlighting recognition, religion and wellbeing through internal communications.
- **EMEA** launched three Employee Resource Groups: South Asian Association, Future @ RWC and the Women's Network.

### Gender Diversity



## Learning & Development

From onboarding new hires to long-term executives, RWC ensures that our employees have the information they need to support our business and live our **SPIRIT** values through the learning and development process.

Prescribed training based on the phase of employment and level of responsibility gives employees the information they need about our products and processes, **SPIRIT** values and D&I. Additional leadership development training opportunities support high-potential employees, succession candidates and executive leadership.

### Key FY2021 initiatives by region included:

- **Americas** created a new Training and Development Manager position to bring additional structure and strategy to the function.
- **APAC** conducted D&I training.
- **EMEA** launched a 10-month management development programme and Skillshub - a new learning management system that hosts mandatory training as well as 600+ online micro learning modules.

**\$661K**<sub>AUD</sub>

RWC Learning and Development Spend





# 5.0

## Our Community

Our innovative  
SPIRIT unites  
and drives us.

### Community Engagement

We are proud to work closely with non-profit organisations who are making a difference to people's lives in our communities. We recently identified three areas of focus to show how we will support our communities in the coming years. We believe this will allow us to have a greater impact. Our goal is to share our time, our expertise and our resources with partners that address People & Water, Health & Wellbeing, and Diversity & Workforce Development. We will continue to refine our community engagement efforts to drive increasing impact on these priorities.

#### People & Water



Support connections between people & water via infrastructure and the built environment, and by responding to urgent community needs in times of disaster.

#### Health & Wellbeing



Support health & wellbeing for people in communities where our employees live and work – in particular, children, veterans and those suffering from illness.

#### Diversity & Workforce Development



Support workforce training & development with a focus on increasing diversity and inclusion in the building trades.

#### Key FY 2021 initiatives by region included:

**Americas** partnered with the Cullman County School system, by providing 64 children with essential clothing and toys, through their Angel Tree programme.

**APAC** began working with catering services by Fison Food Factory - a café and catering service that aims to enhance the lifestyle and independence of people with disabilities.

**EMEA** employees donated holiday gifts through a non-profit called KidsOut, which supports disadvantaged children.

### Supporting communities around the world



## \$266,567

AUD

Total raised in FY 2021

#### September Challenge

Our annual global 'September Challenge' supported Doctors Without Borders. The challenge is a friendly competition among employees to see who can achieve the most steps at the end of the month - whether it's from walking, running or cycling. More than 160 of our colleagues around the world participated, logging more than 14,000 miles via a mobile app.



## \$30,000

USD

Raised by over 160 colleagues

#### Texas freeze disaster fund

In February 2021, the state of Texas faced a crisis after severe winter storms swept across the United States. As a result, millions of people were left without power, heat and in some cases, water. RWC operated a global employee campaign, raising \$23,000 USD in support of American Red Cross relief efforts.



## \$23,000

USD

Raised in support of American Red Cross

# 6.0

## Governance

RWC has a robust corporate governance programme designed to ensure that we operate ethically and responsibly.

The Board of Directors is responsible for RWC's overall corporate governance. This includes monitoring operational performance and financial positions, and overseeing the Group's business strategy, including approving strategic objectives, plans and budgets.

With these risk oversight objectives in mind, the Board seeks to ensure that the Group is appropriately managed to protect and enhance shareholder interests and that the Group, its directors, officers and personnel operate in an appropriate environment of corporate governance.

The key aspects of RWC's governance framework and practices can be found in the Company's annual Corporate Governance Statement. The Board continually reviews the governance policies and practices to ensure that they remain appropriate, considering changes in corporate governance expectations and developments. Charters and policies were reviewed and updated where appropriate during FY2021.

### The key Group-level charters and policy documents are:

- > [Constitution – Reliance Worldwide Corporation Limited](#)
- > [Board Charter](#)
- > [Audit and Risk Committee Charter](#)
- > [Nomination and Remuneration Committee Charter](#)
- > [Code of Conduct](#)
- > [Continuous Disclosure Policy](#)
- > [Diversity Policy](#)
- > [Privacy Policy](#)
- > [Anti-Bribery and Anti-Corruption Policy](#)
- > [Whistle-blowing Policy](#)
- > [Securities Dealing Policy](#)

Note: ESG and Health and Safety Committees were formed in February 2022. The charters for each Committee are viewable on our website.

Other policies exist at the regional or country level. Examples, which apply in some or all of our regions, are the Equal Employment Opportunity and Non-discrimination, and local Whistle-blowing, Non-Harassment, Data Protection, Flexible Working and Parental Leave policies. We continue to strive for consistent policies across the Group, subject to local legislative requirements.

Through these policies and procedures, we seek to maintain the highest standards of corporate conduct, ethics and governance. Specifically, through our Code of Conduct, we prescribe how business must be conducted honestly, fairly and ethically, applying the best skills and judgement, for the benefit of customers, employees, shareholders and the Company alike. For instances in which there may be alleged violations of compliance requirements, we provide multiple reporting channels (including an anonymous and confidential ethics hotline), reliable internal investigations protocols, regular monitoring of complaint activity and appropriate disciplinary procedures. Regular reports are provided to the Audit and Risk Committee. We are continuing to evolve our ethics and grievances to promote a culture built on our core value of integrity and an overall 'do the right thing' attitude in our day-to-day operations.





## Taxation compliance

RWC's Board-approved Tax Governance Framework outlines our approach to tax risk management, governance and strategy. We are committed to paying the correct amount of tax in the jurisdictions in which we operate.

For FY2021, we had an adjusted effective tax rate of 25.3%. This best represents the rate of tax paid by the Group. We currently expect that the adjusted effective tax rate for FY2022 will continue to be in the range of 24% to 26%.

## Modern Slavery

RWC released an annual Modern Slavery Statement. A copy of the latest statement can be found at [www.rwc.com/investors/corporate-governance](http://www.rwc.com/investors/corporate-governance). The statement sets out our actions taken to identify, assess and address modern slavery risks in our operations and supply chains. We have developed short, medium and long-term action plans to improve management of modern slavery risks in our supply chains and operations.

To achieve our 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. To date, analysis and assessment of our suppliers has not identified any significant modern slavery concerns.

## Remuneration framework

A revised remuneration framework is effective from 1 July 2021. Details of the framework are contained in the Remuneration Report in the 2021 Annual Report available on our website. The revised remuneration framework is designed to adequately balance the need to attract and retain the best people to run RWC's business while ensuring that remuneration is linked clearly to shareholder returns and remains comparable with appropriate industry and geographical peer groups. Importantly, the personal KPIs for our senior leadership team include values and culture leadership, including ESG related topics.

A photograph of a warehouse interior. A worker wearing a bright yellow shirt and a black cap is standing in the aisle, handling a large roll of material. The warehouse has high ceilings, industrial lighting, and tall metal shelving units on both sides. The floor is polished concrete. In the foreground, there is a metal cart with a large roll of material on it. The background shows more shelving and a bright light source at the end of the aisle.

**RWC Americas**  
Cullman, Alabama distribution facility

7.0 Appendix | GRI index

GRI	Description	2021 Disclosure
General Disclosures		
102-01	Name of the organisation	RWC
102-02	Activities, brands, products and services	RWC is a global market leader and manufacturer of water delivery, control and optimisation systems for the modern built environment.
		RWC continues to pioneer and innovate plumbing products for residential, commercial and industrial plumbing applications. Its unique meter to fixture and floor to ceiling plumbing solutions target the new construction, renovation, service, repair and remodel markets.
		RWC is the global market leader for brass and plastic push-to-connect (PTC) fittings and a leading manufacturer of PEX pipes, valves, manifolds, underfloor heating components and various accessories to the plumbing and HVAC industry globally. RWC markets its products under industry-trusted brands such as SharkBite, Cash Acme, Reliance Water Controls, RMC Water Valves, John Guest and HoldRite to the wholesale, OEM and retail channels via well-established partner companies.
102-03	Location of headquarters	Atlanta, Georgia, USA
102-04	Location of operations	See About RWC, p. 6
102-05	Ownership and legal form	Reliance Worldwide Corporation Limited (the "Company" or "Reliance") is a limited liability company which was incorporated on 19 February 2016 and is domiciled in Australia. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Company's registered office is at 28 Chapman Place, Eagle Farm, Queensland 4009, Australia.
		The principal activities of the Group are the design, manufacture and supply of high quality, reliable and premium branded water flow, control and monitoring products and solutions for the plumbing and heating industry.
102-06	Markets served	RWC has solid core businesses in its three most important sales markets of the USA, UK and Australia.
		Delivering on our vision starts with focusing on our customers. This includes our end use customer – plumbing and mechanical contractors – as well as our distribution partners, specifiers and the owners of the buildings where our products are used.
102-07	Scale of the organisation	See Highlights, p. 6
102-08	Information on employees and other workers	See Employee overview, p. 14
102-09	Supply chain	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 3600 suppliers of goods and services. Analysis was undertaken in FY2022 to identify key vendors (both from a spend and risk perspective) to incorporate into our MDS strategy. It was found that ~150 suppliers of goods and services that make up ~70% of RWC global spend. Several suppliers were found to be of "medium" risk by an independent audit in FY20 purely due to location of manufacturing sites, these were also included in the key vendor list.
		MDS survey and/or policy will be distributed to all key vendors in FY22.
102-12	External initiatives	<ul style="list-style-type: none"><li>• Task Force on Climate-Related Financial Disclosures (TCFD)</li><li>• United Nations Sustainable Development Goals (UN SDGs)</li><li>• United Nations Framework Convention on Climate Change (UNFCCC)</li></ul>
102-13	Membership of associations	Plumbing Manufacturers International (USA) Plastic Pipe and Fittings Association (USA) Plastics Pipe Institute (USA) Australian Industry Group (Australia) British Plastics Federation - Plastics Pipes Group (UK) European Drinking Water Cooler Association (UK) British Hot Water Association (UK)

GRI	Description	2021 Disclosure
General Disclosures		
102-14	Statement from senior decision-maker	See CEO letter, p. 3
102-15	Key impacts, risks and opportunities	RWC anticipates a climate-related opportunity resulting from increasing codes and regulations aimed at reducing emissions from residential water heating by moving away from gas heaters to electric-powered pump-type heating. An increased demand for precision controls presents a significant market opportunity for RWC products. Manufacturing operations primarily involve brass forging and machining, PEX extrusion, plastic moulding and product assembly. The manufacture of the Group's products involves the use of heavy machinery and hazardous processes. There may be an incident or accident at a facility that results in serious injury or damage to property, which in turn may result in a penalty being imposed by a regulatory authority, an interruption of manufacturing operations, a worker's compensation claim, a work health and safety claim or a claim for damages. Such claims or events may not be covered by insurance or may exceed insured limits. They may also adversely impact business reputation. Any such occurrences could therefore adversely impact the Group's operations and profitability.
		From a product perspective, the Group continues to develop and refine products that aim to mitigate potential water damage and wasted water, improve safety, wellbeing and energy efficiency (thereby reducing energy costs) and enable more effective and efficient installation and product operation. Many of our products have a sustainability objective at their heart. These include solutions that optimise energy consumption and innovations which make the use of water more efficient and less wasteful. We continue to develop technologies which seek to make the lives of our end users easier while at the same time having a positive impact on the environment. The Group invests extensively in research and development at facilities in Australia, the UK and the USA to achieve these aims.
		The Group seeks to manage and minimise the impact of these risks through health and safety initiatives along with operational and product initiatives. In terms of health and safety initiatives, the Group is committed to providing a safe and healthy workplace for all our employees and contractors. We aim for zero harm across the Group. A robust health and safety management system is maintained which assists in the identification of potential issues and hazards and in the development of strategies and initiatives to mitigate the risk of harm. The Group's safety performance remains the highest priority and is regularly reviewed by management and the Board. Our Operations leaders have a clear remit on safety and we have dedicated safety personnel in each division. Initiatives undertaken in recent years include increased safety leadership training, implementing near-miss and hazard reporting (an important leading indicator), developing higher standards for incident investigation and communication and establishing employee safety committees. We continue to work to improve our health and safety activities and our record in this area.
		The Group's operations and properties are subject to environmental protection laws and regulations, including those regulating air emissions, water discharges, waste management and disposal and workplace safety. If the Group were to breach or otherwise fail to comply with any such law or regulation, the cost of curing a breach or resolving associated enforcement actions initiated by government authorities could be substantial and may materially reduce the Group's profit in a given reporting period. The Group adopts appropriate risk management and internal control processes to minimise the risk of breaching these laws and regulations. The Group seeks to operate its business in compliance with all regulatory and government requirements including environmental, health and safety, workplace and related regulations. The Group carries out required procedures with the aim of ensuring compliance with all applicable safety and product performance regulations. Please refer to our Social Impact Reports for details of operational initiatives undertaken in recent years.
102-16	Values, principles, standards and norms of behavior	See Values, p. 7 and Governance, p. 17
102-18	Governance structure	See Governance, p 17
102-26	Role of highest governance body in setting purpose, values, and strategy	The Board's role is to demonstrate leadership and:
		<ul style="list-style-type: none"><li>• Represent and serve the interests of shareholders by overseeing and appraising the Group's strategies, policies and performance. This includes overseeing the financial and human resources the Group has in place to meet its strategic objectives and reviewing management performance;</li></ul>
		<ul style="list-style-type: none"><li>• Protect and optimise Group performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risks to be assessed and managed;</li></ul>
		<ul style="list-style-type: none"><li>• Set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards);</li></ul>
		<ul style="list-style-type: none"><li>• Keep shareholders informed of the Group's performance and major developments affecting its state of affairs;</li></ul>
		<ul style="list-style-type: none"><li>• Approve the Company's values and Code of Conduct; and</li></ul>
		<ul style="list-style-type: none"><li>• Monitoring corporate culture.</li></ul>



GRI index

GRI	Description	2021 Disclosure
General Disclosures		
102-35	Remuneration Policy	<p>Executive remuneration and incentive policies and practices should be performance based and aligned with the Company's purpose, values, strategic objectives and risk appetite.</p> <p>(b) Executive remuneration and incentive policies and practice must be designed to:</p> <ul style="list-style-type: none"><li>- ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies;</li><li>- attract and retain skilled executives;</li><li>- structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns, without rewarding conduct that is contrary to the Company's values or risk appetite; demonstrate a clear relationship between the Company's overall performance and the performance of executives;</li><li>- appropriately incentivise positive risk behaviour and improved customer outcomes, encourage sound risk management of both financial and non-financial risks, and discourage unnecessary and excessive risk taking;</li><li>- allow for proper adjustments to be made, including where risk and compliance failures occur; and</li><li>- ensure any termination benefits are justifiable and appropriate.</li></ul> <p>(c) In the discharge of the Committee's responsibilities, no executive should be directly involved in determining their own remuneration.</p> <p>(d) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.</p>
102-40	List of stakeholder groups	RWC stakeholders include employees, suppliers, distributors, customers, end users, investors, regulatory agencies, the community and the environment.
102-41	Collective bargaining agreements	We respect our employees' right to exercise freedom of association and collective bargaining. We have collective bargaining agreements in place at two of our Australian sites – one in Queensland and one in Victoria. In Australia, approximately a third of our employees are union members. Our USA and UK workforces are non-unionised.
102-43	Approach to stakeholder engagement	The process we have undertaken has comprised an extensive review of internal sources including strategies, policies and communications, as well as external sources including peers, media, industry bodies, investors and non-government organisations.
102-46	Defining report content and topic boundaries	Current and emerging topics were prioritised according to their importance both to RWC and to stakeholders which include employees, suppliers, distributors, customers, end users, investors, regulatory agencies, the community and the environment.
102-47	List of material topics	Energy & greenhouse gas emissions Product Innovation Product quality & safety Product stewardship & consumer health Culture & ethical behavior Health, safety & wellbeing Diversity & inclusion Operational environmental impacts Supply chain social & environmental impacts Community engagement & investment Governance & compliance
102-50	Reporting period	Our third RWC Social Impact Report focuses on our performance from 1 July 2020 to 30 June 2021.
102-53	Contact point for questions regarding the report	If you have any questions or feedback regarding this report or its content please contact: investorrelations@rwc.com.
102-54	Claims of reporting in accordance with the GRI standards	This report references the Global Reporting Initiative (GRI) Standards 2016, as detailed in this GRI Index.
102-55	GRI Content index	See GRI index, p. 19

GRI	Description	2021 Disclosure
Economic		
201-2	Financial implications and other risks and opportunities due to climate change	RWC supports local and global efforts to combat climate change and strive for a sustainable low carbon future. Our efforts are aligned with the UNFCCC Paris agreement, which is focused on reducing emissions to limit global warming to a two degree Celsius increase from pre-industrial levels. RWC and other businesses around the world face increased risks from climate change impacts from weather events and resource limitations as it has the potential to disrupt supply chains, to increase energy and raw material costs, and to decrease the availability of resources used in operations. Through our enterprise risk management process, RWC continually assesses climate risk and opportunities associated with climate impacts and the transition to a zero-carbon economy. We recognise the importance of being thoughtful stewards of the environment. As collaborators and efficiency experts, RWC takes great care to consider the natural resources used in our operations, our supply chain and by our end users and we seek ways to reduce the impacts.
206-1	Anti-competitive behavior	None
Environment		
302-1	Energy consumption within the organisation	See Group Energy Consumption, p. 9
302-3	Energy intensity	See Group Energy Consumption, p. 9
303-1	Interactions with water as a shared resource	Our company is built on products that deliver, control and optimise water consumption. Therefore, in every region, we carefully manage our own water consumption.
303-3	Water withdrawal	20.8 Megaliters
304-2	Direct (Scope 1) GHG emissions	See Scope 1 & 2 emissions, p. 9
305-2	Energy indirect (Scope 2) GHG emissions	See Scope 1 & 2 emissions, p. 9
305-4	GHG emissions intensity	See Scope 1 & 2 emissions, p. 9
306-2	Waste by type and disposal method	Our goal is to make products that not only improve the lives of our customers, but are also responsible – keeping our planet and future generations in mind. That's why we implemented the Zero-Landfill Initiative, which focuses on reducing the amount of waste we send to landfills. Over the past three years, our offices and facilities across the Americas have been recycling materials and making adjustments to our sourcing to reduce the company's environmental impact.
307-1	Non-compliance with environmental laws and regulations	None
Social		
401-1	New employee hires and employee turnover	See New employee hires and employee turnover, p. 14
401-3	Parental leave	See Parental leave, p. 14
403-1	Occupational health and safety management system	Regional and global executives review reportable and lost time injuries monthly, together with details of specific incidents. Findings of injury inquiries are shared globally to increase learnings and adoption of best practices. Data is regularly reviewed by the Board. In addition to metrics such as reportable injury rate and lost time injury rate, all regions monitor leading indicator reporting and employee engagement each month.
403-2	Hazard identification, risk assessment, and incident investigation	As a manufacturing company that keeps occupational health and safety a constant focus, RWC continued to make positive strides in workplace health, safety and well-being through more accurate data collection and better employee engagement. With a strong foundation of broad and specific safety training programmes, daily stand-up meetings about improvement opportunities, health and safety committees and regular executive review of injury data, RWC moved toward achieving its next goals for supporting and improving each region's Health & Safety (H&S) policies and activities.
403-5	Worker training on occupational health and safety	Each region has implemented global initiatives such as site safety committees and the safety observations process. Our regional health and safety leaders collaborate on a monthly basis to share general knowledge and identify best practices that we can implement across the company.
403-9	Work-related injuries	Global safety performance, p. 12
405-1	Diversity of governance bodies and employees	Diversity & inclusion, p. 15
415-1	Political contributions	RWC does not make any political contributions in any of our regions and generally does not engage in lobbying or advocacy.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None

Task Force on Climate-Related Financial Disclosures (TCFD)

TCFD	Description	2021
Governance		
A	Describe the board's oversight of climate-related risks and opportunities.	<p>The Board is actively engaged with management in working through our sustainability priorities through a recent formation of an ESG committee, and appreciates the progress the company has made over the past two years.</p> <p>The Audit and Risk Committee of the board oversees high-level risk matters, including strategy and management of key risks. This includes evaluating the adequacy and effectiveness of environmental and social sustainability risks and disclosure of any material exposures to those risks.</p> <p>The Committee's responsibilities with respect to risk management and compliance include:</p> <ul style="list-style-type: none"><li>• Overseeing and advising the Board on high-level risk related matters, including risk tolerance in determining strategy, as well as management of key financial and non-financial risks, including new and emerging risks;</li><li>• Reviewing and making recommendations to the Board in relation to the risk appetite within which the Board expects management to operate, and whether any changes should be made;</li><li>• Evaluating the adequacy and effectiveness of the Group's identification and management of economic, environmental and social sustainability risks; and</li><li>• Reviewing and making recommendations to the Board on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies and the risk appetite that is appropriate for the Company.</li></ul> <p>The risk management framework is reviewed at least annually by the Audit and Risk Committee to satisfy itself that the framework continues to be sound and that the Group is operating with due regard to the risk appetite set by the Board. The Audit and Risk Committee undertook a review of the risk management framework during FY2021.</p>
B	Describe management's role in assessing and managing risks and opportunities.	<p>Management is responsible for the development and implementation of effective risk management and internal compliance and control systems based on the risk management policies adopted by the Board.</p> <p>This includes having robust processes in place to identify and then manage key business risks.</p>
Strategy		
A	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>As a manufacturer and distributor, we recognise that our operations have an environmental footprint and that we need to manage the social and environmental impacts of our supply chain.</p> <p>There may be climate related factors which impact our operations in both the near and longer term. For example, these impacts could be in areas such as availability and cost of materials used in our products or manufacturing processes, transport and/or occurrence of extreme weather events. Any significant or sustained impacts could adversely affect RWC's financial performance and/or financial position.</p>
B	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<p>RWC anticipates a climate-related opportunity resulting from increasing codes and regulations aimed at reducing emissions from residential water heating by moving away from gas heaters to electric-powered pump-type heating. An increased demand for precision controls presents a significant market opportunity for RWC products.</p>
C	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>The next step in ensuring operational excellence and minimising our environmental impact is to set greenhouse gas (GHG) emission reduction targets. We strive to optimise our manufacturing processes wherever possible. Setting clear, well-defined targets will help organise these efforts toward a company-wide shared goal.</p>

TCFD	Description	2021
Risk Management		
A	Describe the organisation's processes for identifying and assessing climate-related risks.	<p>Risks are managed in a proactive process with regular reviews and reporting at both region and Group levels. A standardised procedure to identify and classify risks across the organisation is in place. The Group's Enterprise Risk Management Policy and supporting procedures document contain details of the approved methodology, including risk classifications, ratings and tolerance levels. Progress reports are presented to the Audit and Risk Committee for consideration.</p> <p>This includes evaluating the adequacy and effectiveness of the Group's identification and management of economic, environmental and social sustainability risks.</p>
B	Describe the organisation's processes for managing climate-related risks.	<p>At RWC, running our business in a responsible and sustainable way is critical to our long-term success and the health of the communities where we live and operate. We recognise that climate action is an imperative, and that's why we strive to embed sustainable practices throughout our value chain and company culture by making it an integral part of our business strategy. To move forward in our climate action journey, we are launching initiatives to set strong sustainability targets and improve the way we track environmental data across our global footprint.</p> <p>While many of our products innately contribute to improving sustainability, through water-saving, safe and efficiency-improving technologies, we recognise that as a manufacturing business, we need to go beyond our products to make sure we have a positive impact on the environment.</p>
C	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Across our global operations, several of our regional hubs have developed methodologies for tracking and progressing on local sustainability efforts. Once targets are in place, we will develop a clear scorecard mechanism to track and communicate progress across our sustainability key performance indicators both internally and externally.</p>
Metrics & Targets		
A	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>The next step in ensuring operational excellence and minimising our environmental impact is to set greenhouse gas (GHG) emission reduction targets. We strive to optimise our manufacturing processes wherever possible. Setting clear, well-defined targets will help organise these efforts toward a company-wide shared goal.</p> <p>This year, we collected critical regional baseline data through our partnership with Schneider Electric. This creates a necessary bridge to future social impact reporting to include clear, tangible targets and how RWC will achieve each step along the way.</p> <p>As we move into our next phase for 2022, we plan to submit our data to an independent audit and embark on an analytics-led initiative to establish our roadmap to a Net Zero commitment. However, it's important to ensure authenticity by thoroughly vetting our interim targets via a clear science-based methodology - a step we will take over this next fiscal year.</p>
B	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>Scope 1 and 2 emissions</p> <p>In FY21, our Scope 1 emissions were 13,683 metric tons CO<sub>2</sub>e and our Scope 2 emissions were 33,515 metric tons CO<sub>2</sub>.</p> <p>Scope 3 emissions</p> <p>In order to understand the impact of our operations beyond our own facilities, we are undertaking a Scope 3 assessment and target-setting exercise with Schneider Electric.</p>
C	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Scope 1 and 2 emissions</p> <p>In 2022, we intend to set long-term Scope 1 and Scope 2 science-based emission reduction targets as well as near-term milestones to ensure both immediate and continual progress.</p> <p>Scope 3 emissions</p> <p>Following our Scope 3 inventory, we will initiate an engagement program with our suppliers to begin building a plan to act on our Scope 3 footprint. This framework for supplier collaboration will help us identify and prioritise the most important suppliers to engage with on decarbonisation and scale the impact of our emissions reduction program.</p>





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