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Reliance Worldwide Corporation Limited

Corporate Governance Statement

21 August 2023

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement outlines the key aspects of Reliance Worldwide Corporation Limited's ("the Company") governance framework and governance practices.

The Board of Directors is responsible for the overall corporate governance of the Company and its controlled entities (together "the Group"). The Board monitors the operational and financial position and performance of the Group and oversees its business strategy, including approving the strategic objectives, plans and budgets of the Group. The Board is committed to optimising performance and building sustainable value for shareholders. In conducting business with these objectives, 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. Accordingly, the Board has created a framework for managing the Group, including adopting internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for the Group's business and that are designed to promote responsible management and conduct of the Group.

The Company's governance framework and practices are consistent with the 4th edition of the Australian Securities Exchange ("ASX") Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Recommendations") unless otherwise stated. The Board regularly reviews the Group's governance policies and practices to confirm that they remain appropriate in light of changes in corporate governance expectations and developments. Board and Committee charters, governance policies and arrangements reflect the suggestions contained in the 4th edition of the ASX Recommendations.

Details of key policies, practices and the charters for the Board and each Committee are available on the Company's website at www.rwc.com.

This statement has been approved by the Board of Reliance Worldwide Corporation Limited and is current at 21 August 2023.

Board and management

The Board has adopted a written charter to provide a framework for its effective operation. The Board Charter sets out details of the Board's composition, its role and responsibilities, the expected relationship and interaction between the Board and management, details of the responsibilities and functions expressly reserved to the Board and those authorities which are delegated by the Board to management and Board Committees. A copy of the charter can be viewed on the Company's website.

The Board's role is to demonstrate leadership and:

- 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;
- 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;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards);
- keep shareholders informed of the Group's performance and major developments affecting its state of affairs;
- approve the Company's values and Code of Conduct; and
- monitor corporate culture.

The management function is delegated by the Board to the CEO (and to other officers to whom the management function is properly delegated by the CEO). A delegation of authority document has been approved by the Board. Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time to assist in discharging their duties.

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Appointment of Directors

The Company has a formal agreement in place with each Director setting out the terms of their appointment. Directors have rights of access to Company management, advisors and relevant documents to assist in the performance of their duties.

The process for selecting Non-Executive Directors for appointment to the Board is overseen by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee undertakes appropriate checks on any potential candidates before a person is appointed by the Board or put forward to shareholders as a candidate for election as a director. The Company provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. This information is provided in the notice for the Annual General Meeting.

Director induction and development

The Nomination and Remuneration Committee oversees processes to support a director's induction and ongoing professional development and training opportunities. Newly appointed directors receive information about the Group's activities and are afforded the opportunity to meet with members of the senior leadership team. Ongoing professional development and training activities for directors may include visits to operational facilities, new product demonstrations and management presentations. Professional development activities may include sessions conducted in person or by video conference.

The Board collectively and each Director individually has the right to seek independent professional advice at the Company's expense, subject to the approval of the Chairman or the Board as a whole.

Structure of the Board and Director independence

The composition of the Board at the date of this report is:

		Appointed
Stuart Crosby	Independent, Non-Executive Chairman	11 April 2016
Heath Sharp	Managing Director and Chief Executive Officer	19 February 2016
Christine Bartlett	Independent, Non-Executive Director	6 November 2019
Russell Chenu	Independent, Non-Executive Director	11 April 2016
Darlene Knight	Independent, Non-Executive Director	14 April 2021
Sharon McCrohan	Independent, Non-Executive Director	27 February 2018
Ian Rowden	Independent, Non-Executive Director	6 July 2020
Brad Soller	Independent, Non-Executive Director	1 November 2022

Details of the experience and qualifications of each current director are set out in the annual Directors' Report (contained within the Annual Report) and on the Company's website.

The Board comprises a majority of independent directors. The Board only considers a Director to be independent where that person is free of any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party. The Board Charter sets out guidelines to assist in considering the independence of Directors. These guidelines are based on box 2.3 in the 4th edition of the ASX Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Non-Executive Director in light of information disclosed to it.

The Board considers that each Non-Executive Director is independent in accordance with the definition adopted by the Board. Heath Sharp is not independent as he is an executive.

Board skills and experience

The Board seeks to have a mix of skills, personal attributes and experience amongst its members which is appropriate for the requirements of the Company and to maximise its effectiveness in meeting its responsibilities for corporate governance and oversight. The current Board composition provides the necessary experience and skills to meet the Company's current needs.

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This includes relevant business and industry experience, financial management experience and corporate governance knowledge. The matrix below sets out the mix of skills and diversity that the Board currently has and/or is seeking to achieve in its membership.

Strategic priorities/areas	Skills matrix	
General industry and sector experience	<ul style="list-style-type: none"> ▪ Business strategy ▪ Manufacturing and operations ▪ Building products and materials 	<ul style="list-style-type: none"> ▪ Understanding of manufacturing technology requirements, product development, emerging technologies and innovation
Customer and market insights	<ul style="list-style-type: none"> ▪ Sales strategies, including identification of risks and opportunities ▪ International experience relevant to the Group's operations and expansion plans, with a focus on regions where the Group primarily operates (North America, Europe and Asia Pacific) 	<ul style="list-style-type: none"> ▪ Understanding of the Group's key distribution channels
Governance and Company oversight	<ul style="list-style-type: none"> ▪ Board experience, including listed companies ▪ Corporate governance and regulatory compliance ▪ Stakeholder relations ▪ Workplace health and safety ▪ Understanding of capital and debt markets 	<ul style="list-style-type: none"> ▪ Social responsibility and sustainability ▪ Remuneration frameworks and human resources ▪ Succession planning ▪ Financial acumen and reporting

The Board is committed to reviewing the performance of Non-Executive Directors and the Board as a whole. Annually, the Board, through the Nomination and Remuneration Committee, undertakes a performance evaluation of directors, Board Committees, the CEO and the Board itself. The latest review was undertaken during May 2023 using a comprehensive, externally managed online platform. The results of this review indicate that the Board and Committees are operating effectively.

Committees of the Board

The Board has established the following Committees to assist in discharging its responsibilities:

Committee	Established
Audit and Risk	2016
Environment, Social and Governance ("ESG")	2022
Health and Safety	2022
Nomination and Remuneration	2016

Each Committee is governed by a Board approved charter setting out its duties and responsibilities. Committee charters can be viewed on the Company's website.

Each Committee is chaired by an independent director and comprises only independent Non-Executive Directors. Details of the relevant qualifications and experience of the members of each Committee, the number of times each Committee met throughout the reporting period and the attendance of each Committee member at those meetings are set out in the Directors' Report contained in the 2023 Annual Report.

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The membership of each Committee was reviewed during the 2023 financial year. The members of each Committee at the date of this statement are:

Audit and Risk	ESG	Health and Safety	Nomination and Remuneration
Russell Chenu (Chair)	Sharon McCrohan (Chair)	Darlene Knight (Chair)	Christine Bartlett (Chair)
Stuart Crosby	Christine Bartlett	Christine Bartlett	Russell Chenu
Ian Rowden	Stuart Crosby	Sharon McCrohan	Ian Rowden
Brad Soller	Darlene Knight	Ian Rowden	Brad Soller

All directors have a standing invitation to attend each Committee meeting and do generally attend. Each Committee may invite members of management to attend meetings when considered appropriate.

Responsibilities of each Committee

The responsibilities of each Committee are contained in its charter which is viewable on the Company's website. The Chairs of each Committee liaise with each other to confirm appropriate oversight on any crossover areas.

The **Audit and Risk Committee's** responsibilities include overseeing the Company's:

- financial and other periodic corporate reporting. This includes reviewing the processes for verifying the integrity of any periodic report the Company releases to the market, including reports that are not audited or reviewed by the external auditor;
- relationship with the external auditor and the external audit function generally;
- relationship with the internal audit function;
- processes for identifying, assessing and managing financial and non-financial risk, including matters relating to taxation risk;
- internal controls and systems; and
- processes for monitoring compliance with laws and regulations.

The responsibilities of the **ESG Committee** include:

- providing advice to management on ESG matters;
- reviewing, discussing with management and approving or, recommending to the Board for approval, the Company's initiatives, objectives, strategies and targets for ESG matters;
- reviewing and monitoring the Company's progress toward achieving approved ESG objectives and targets;
- receiving reports on emerging ESG matters and, in conjunction with management, considering how these might impact the Company's ESG strategies, objectives or targets;
- reviewing and monitoring implementation of recommendations on ESG matters contained in reports received from the internal and/or external auditor;
- the Committee is responsible for the review and oversight of the Company's Diversity Policy. In executing this role, the Committee will, with the appropriate support and input from management, review at least annually the:
 - effectiveness of the Diversity Policy, its objective and strategies;
 - division of responsibilities and accountability for developing and implementing diversity initiatives across the organisation;
 - measurable objectives for achieving gender diversity set by the Board on an annual basis, assessing progress and recommending any changes to the Board; and
 - relative proportion of women and men on the Board, in senior executive positions and in the workforce at all levels of the Group.

The Committee will report to the Board on the outcomes of its review, including any recommendations for changes to diversity and inclusion strategies or the way in which they are implemented.

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The responsibilities of the **Health and Safety Committee** include:

- reviewing and monitoring the appropriateness and effectiveness of the health and safety risk management framework, governance structure and systems;
- providing recommendations to the Board on health and safety strategies, policies and systems;
- reviewing health and safety targets and objectives for appropriateness and then reviewing and monitoring performance measured against the agreed targets and objectives;
- conducting site visits to increase members' understanding of health and safety risks faced by the RWC Group and to observe and assess the effectiveness of the Group's health and safety policies and processes;
- reviewing and monitoring systems for reporting actual or potential health and safety accidents, incidents or breaches;
- reviewing and monitoring implementation of recommendations on health and safety matters contained in reports received from the internal and/or external auditor; and
- monitoring and reviewing policies and processes for compliance with applicable legal and regulatory requirements.

The responsibilities of the **Nomination and Remuneration Committee** include:

- regularly reviewing and monitoring implementation of the Company's remuneration framework;
- reviewing and recommending to the Board remuneration and employment arrangements for the CEO and the Non-Executive Directors;
- reviewing and approving remuneration and employment arrangements for the CEO's direct reports;
- overseeing the operation of the Company's employee equity incentive plans and recommending to the Board whether offers are to be made under any or all the Company's employee equity incentive plans in respect of a financial year;
- approving the appointment of remuneration consultants for the purposes of the Corporations Act;
- reviewing and recommending to the Board the Remuneration Report prepared in accordance with the Corporations Act for inclusion in the annual Directors' Report;
- reviewing and facilitating shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices;
- assisting the Board in developing and reviewing the Board skills matrix;
- reviewing and recommending to the Board the size and composition of the Board including reviewing Board succession plans, including for the Chair and CEO;
- reviewing and recommending talent and succession plans to the Board more generally;
- reviewing and recommending to the Board the criteria for nomination as a Director and the membership of the Board more generally;
- assisting the Board in relation to the performance evaluation of the Board, its Committees and individual Directors; and
- monitoring the processes in place to support Director induction and ongoing education and regularly reviewing the effectiveness of these processes.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for administration and coordination of all Board and Committee business, including agendas, meeting papers, minutes, communication with regulatory bodies and the ASX, and all statutory and other filings in Australia. The Company Secretary also supports the Board and its Committees on corporate governance matters in conjunction with senior executives. All Directors have direct access to the Company Secretary and vice versa.

Senior executives

The Board delegates the responsibility for the day-to-day management of the Company to the Managing Director, who is assisted by senior executives who report to him. The Company has a formal written agreement in place with each senior executive setting out the terms of their employment.

The performance of Key Management Personnel and other senior executives is regularly assessed. The CEO's performance is assessed by the Board. The performance of other senior executives is assessed by the CEO and advised to the Nomination and Remuneration Committee. Performance reviews, which include setting annual key performance objectives, have been completed during 2023.

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Diversity, Equity and Inclusion

Diversity, equity, and inclusion (“DE&I”) are key to the Company’s ability to attract, retain, motivate, and develop the best talent, create an engaged workforce, deliver the highest quality services to our customers, and continue to grow the business. We strongly believe that the greater diversity of our talented workforce and the broader experiences that brings to our business creates a higher level of innovation, a core value for RWC.

We want every RWC employee to bring their authentic selves to work and to have access to the same opportunities as their peers. Our vision for DE&I is:

- diversity is both physical differences such as gender or ethnicity to varied perspectives and ideas;
- equity is fair and equitable treatment, access and opportunity required to be successful; and
- inclusion is getting the mix of our talented employees to work together to ensure individual views are respected and valued.

The DE&I Steering Committee is led by our Chief People Officer and includes representatives from across each region. The Steering Committee’s purpose is to drive a global strategy with local impact, underpinned by our SPIRIT values, connected to five global strategic priorities:

- employee engagement and belonging;
- talent acquisition;
- internal talent review and development;
- DE&I education and training; and
- data analytics and reporting.

While guided globally, each region defines their most relevant local DE&I priorities to ensure maximum local impact – our so-called “glocal” approach with a global framework but deep local impact.

The Company maintains a Diversity Policy that is focused on promoting gender equality and diverse representation at all levels in the Group, including senior management positions and on the Board. RWC’s DE&I vision also encompasses race, colour, religion, creed, national origin or ancestry, ethnicity, gender, age, sexual orientation, and physical and mental disability. With this vision, the Company aims to build an inclusive environment that is free of harassment, unlawful discrimination, bullying, and victimisation while integrating diversity and inclusion into its culture, talent, and business strategies.

The Diversity Policy includes requirements for the Board to set measurable objectives relating to the dimensions of diversity and to assess annually both the objectives and the Company’s progress in achieving them. The policy sets out the way the Company’s diversity and inclusion strategies aim to achieve the objectives of the policy. The policy can be viewed on the Company’s website at www.rwc.com.

The ESG Committee, on behalf of the Board, has responsibility for oversight of the Group’s progress toward achieving its DE&I objectives.

The Board, through the ESG Committee, continues to have a focus on achieving a balanced representation of women in senior roles and on the Board. The Group’s total number of employees on 30 June 2023 was 2,491 of which 39.1% were female, up from 38.6% at 30 June 2022. Women are represented in leadership, management, professional and support roles across all departments. As part of the 2021 remuneration framework project, we classified roles across the global business and established our diversity profile of women in leadership roles as our baseline from which we can track improvements going forward. During FY2023 we saw a total increase of women in the business and women in leadership at the Executive level but a slight reduction (1%) at the management and professional level.

At 30 June 2023:

- three of seven Non-Executive Directors were female (43%); and
- there were three female members on the eight person executive leadership team which reports directly to the Chief Executive Officer (38%).

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Progress against classification of our Tiers can be seen against the 30 June 2022 baseline below.

Category	Classification	Baseline at 30 June 2022	Data at 30 June 2023
Board Members	Non-Executive Board	50%	43%
Executive Leadership	Tiers 1 (CEO) and 2	25%	33%
Management	Tiers 3 and 4	19%	18%
Professional	Tier 5 and all other salaried employees	39%	38%

The Company has submitted its Workplace Gender Equality Public Report for its Australian operations in compliance with the Workplace Gender Equality Act 2012 (Cth). A copy can be viewed at www.wgea.gov.au. The Group has also completed gender pay gap reporting as required by the UK government. The most recent report is available at gender-pay-gap.service.gov.uk.

The Company undertook specific plans and measurable objectives in FY2023 to address its diversity and inclusion goals which are summarised below in Table 1. Table 2 summarises our key plans for FY2024.

Table 1: FY2023 Review and Status

Strategic Priority	Measurable Objective	Progress as at 30 June 2023
Employee Engagement and Belonging	<ul style="list-style-type: none"> Add questions to our annual employee engagement survey to measure perceptions for equitable access to opportunities, authenticity (“I can be myself at work”) and belonging (“I feel like I belong at RWC”). Belonging is strongly correlated with high employee engagement and retention. Launch at least one new DE&I Employee Resource Group (ERG) in FY2023. 	<ul style="list-style-type: none"> Three new DE&I questions were added to our 2022 employee engagement survey to measure belonging, equity and authenticity. Our baseline for the DE&I dimension is 73% (based on the September 2022 survey). We are also moving to an annual engagement survey to measure progress and take swifter action. Our target was to launch one additional ERG and we launched 3: Pride in the Americas, Colleagues of African Descent in EMEA and the Women’s Network in APAC. Our ERGs are grass roots led and sponsored by a member of senior leadership.
Talent Acquisition	<ul style="list-style-type: none"> Continue to seek candidates from diverse backgrounds and add at least one more diverse source to strengthen our pipeline supply of talent (for example, universities or technical colleges). Add at least one early career program in FY2023 to strengthen our talent pipeline for future needs. Reinforce our Diversity of Slate requirements and the role of the manager in every hire. Diversity of Slate is a talent acquisition strategy where we aim to have a diverse pool of qualified candidates for our roles. 	<ul style="list-style-type: none"> Americas: Partnered with Diversity Jobs. All external job postings are automatically sent to 600+ diverse job boards including sites supporting women, people of colour, mature workers, the LGBTQIA+ community, individuals with disabilities and veterans. Postings also go to college and university partners including Historically Black Colleges and Universities (HBCUs) and Hispanic-serving institutions. Americas: Launched the Skill Enhancement and Employee Development (SEED) program. The student co-op program was created to give high school students the opportunity to gain knowledge of the manufacturing industry and the tools to launch a successful career. An initial group of 7 co-op student workers joined the program in Q4 of FY2023. APAC: Committed to an engineering intern program at Swinburne University in Victoria to help address future workforce changes. APAC: In addition to our regular focus on diverse slates, we have reviewed the language and imagery we use in job advertisements as we attract different talent to the business. EMEA: Launched our inaugural undergraduate program in the UK, in partnership with Brunel University, taking on board three placement students for one year in engineering and production. All agencies and headhunters are required to provide diverse slates (gender or ethnicity). If they are unable to make this commitment, we do not continue to partner.

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Strategic Priority	Measurable Objective	Progress as at 30 June 2023
Internal Talent Review & Development	<ul style="list-style-type: none"> Deploy a rigorous research backed talent review process to identify and develop talent. Identify development programs in each region for diverse talent to pilot for effectiveness. Track retention of our diverse population. 	<ul style="list-style-type: none"> Deployed global talent review process to identify and develop talent. Pilot completed in FY2023 – framework will be rolled out across all Tier 1-5 employees throughout FY2024. New framework provides a global language to measure objectively and consistently. EMEA: Completed our Foundation Management Programme aimed at colleagues who aspire to manager positions. Three out of eight participants were women. Americas: Diverse groups of emerging and new leaders participated in the leadership development Leadology Program. Of the 3 cohorts held in FY2023, 11 of the 17 participants were women. APAC: used the talent review process to build individual development plans for top talent – 50% of these individuals are female. We have begun to track retention globally. Gender diversity has improved overall from 38.6% to 39.1% and we have many women in key roles.
DE&I Education & Training	<ul style="list-style-type: none"> Continue roll out of unconscious bias training and measure impact. Conclude bias in hiring pilot and roll out to hiring managers. 	<ul style="list-style-type: none"> All managers in EMEA completed DE&I training. Unconscious Bias training was completed in Americas. We will complete the training in APAC in FY2024.
Data Analytics & Reporting	<ul style="list-style-type: none"> Begin global HR information system (“HRIS”) implementation in FY2023 to move away from manual tracking. Commit to a 40/40/20 long-term gender diversity target across RWC – each year, our goal is to hold or be progressively better than the prior year. Evolve people health metrics dashboard to report on diversity. 	<ul style="list-style-type: none"> Consolidated view of our global people data developed under a project named Coalesce. Allows us to bring together multiple sources of data into one view. Improved gender diversity from 38.6% at 30 June 2022 to 39.1% at 30 June 2023. Continued to focus on the management and professional populations.

Table 2: FY2024 Key Plans

Strategic Priority	Measurable Objective
Employee Engagement and Belonging	<ul style="list-style-type: none"> Maintain participation of current ERGs and continue to improve their impact and influence throughout the business and, support employees who come forward to set up new ERGs. Measure improvement in the baseline score for “I belong at RWC” in the September 2023 employee engagement pulse survey.
Talent Acquisition	<ul style="list-style-type: none"> Conduct a regional review of all new job advertisements to confirm they are gender neutral. Identify one new additional source of diverse talent. Develop one new early career program.

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Internal Talent Review & Development	<ul style="list-style-type: none"> ▪ Continue rollout of research backed talent review to Tiers 4 & 5. ▪ Deploy the RWC “Managing your Career” workshops aimed at supporting managers in how to coach and develop their people and, to support all employees with their professional growth by creating Individual Development Plans. ▪ Develop an approach to share talent between the regions as part of professional development (short term assignments, projects, international assignments etc.).
DE&I Education & Training	<ul style="list-style-type: none"> ▪ Build out and deploy a calendar of events that are connected globally but celebrated locally for deep impact with an emphasis on using events as points of learning and education. ▪ ERGs to hold an education event in their region for all employees.
Data Analytics & Reporting	<ul style="list-style-type: none"> ▪ Begin the work to measure ethnicity across the regions within local laws and regulations, continuing to strengthen reporting and metrics. ▪ Continue to strengthen our female population towards 40/40/20 with a particular focus on the management and professional tiers.

Act ethically and responsibly

The Company is committed to a high level of integrity and ethical standards in all business practices. A formal Code of Conduct has been adopted which outlines how the Company expects its senior executives, employees, and Directors to behave in the course of their employment and in dealings with employees, suppliers and customers. Business must be conducted honestly, fairly, and ethically, applying best skills and judgment, and for the benefit of customers, employees, shareholders and the Company alike. People should be treated with dignity and respect as part of creating an inclusive and supportive workplace. Objectives of the Code of Conduct are to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company’s business reputation and corporate image within the community; and
- make Directors, senior executives and employees aware of the consequences if they breach the policy.

A copy of the Code of Conduct is available on the Company’s website. The key aspects of this code are reflected in policy handbooks provided to employees. Material breaches of the Code of Conduct are required to be reported to the Board.

The Group has a defined set of core values. Our commitment to upholding the Group’s values is an enduring part of our culture. The Group maintains an absolute commitment to ensuring its people always act in a manner that is consistent with all relevant laws, rules and regulations governing the workplace. Together these are designed to guide the way the Group does business and also the way people treat each other in the workplace. We believe that living these values every day delivers a more productive and effective workplace which assists us to recruit the level of talent we continually strive to bring into the Group.

In addition to the Code of Conduct, the Board has approved governance policies to guide expectations for behaviour, actions, and commercial relationships. These include a Continuous Disclosure Policy, External Audit Policy, Non-Audit Services Policy, Diversity Policy, Securities Dealing Policy, Anti-Bribery and Anti-Corruption Policy and a Whistleblowing Policy. Material breaches of the Anti-Bribery and Anti-Corruption Policy are reported to the Board and material incidents reported under the Whistleblowing Policy are reported to the Audit and Risk Committee. The Company publishes an annual modern slavery statement which sets out actions taken to identify, assess and address modern slavery risks in our operations and supply chains. The Board has also approved a Tax Governance Framework which sets out the Company’s approach to tax risk management and governance, tax strategy and dealing with revenue authorities in jurisdictions in which the Group has operations. The Group is committed to paying the correct amount of tax in jurisdictions in which it operates.

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External Auditor

KPMG was appointed as the Company's external auditor in 2016. KPMG representatives are invited to all meetings of the Audit and Risk Committee and receive the papers for each meeting. A KPMG representative attends the Company's Annual General Meeting and is available to answer questions from shareholders relevant to the conduct of the audit and the preparation and content of the auditor's report.

The Company has an approved External Audit Policy which governs the appointment and assessment of the external auditor, auditor independence and rotation of the audit partner. Lead audit partner rotation by KPMG last occurred following completion of the FY2019 audit. The Company has also adopted a policy on non-audit services which may be provided by the external auditor. The external auditor is prohibited from providing services which would create a real or perceived threat to audit independence. The Audit and Risk Committee monitors compliance with the policy with delegated authority for approving certain non-audit services up to specified limits granted to the Group's Chief Financial Officer.

KPMG provides an independence declaration which is included in the Directors' Report issued with each annual and half year financial report. The declaration states KPMG's view on whether or not it has contravened auditor independence requirements set out in the Corporations Act 2001 or any applicable professional code of conduct in relation to the audit. KPMG's declaration for the year ended 30 June 2023 states its view that there have not been any such contraventions.

Continuous Disclosure obligations

The Company has adopted a Continuous Disclosure Policy which sets out procedures aimed at ensuring the Company fulfils its obligations in relation to the timely disclosure of material price-sensitive information. The Company has an obligation to keep the market fully informed of any information it becomes aware of concerning the Company which may have a material effect on the price or value of the Company's securities, subject to certain exceptions. A copy of the Continuous Disclosure Policy is available on the Company's website.

A Disclosure Committee has been formed to oversee and monitor compliance with the Continuous Disclosure Policy. The Disclosure Committee comprises the Company Chair, Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Investor Relations. Responsibilities of the Disclosure Committee include:

- ensuring the Company complies with continuous disclosure requirements under ASX Listing Rules and Australian corporations law;
- reviewing information which is brought to its attention to determine if there is a disclosable matter and, if so, whether any ASX Listing Rules non-disclosure exception applies;
- overseeing and coordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public;
- establishing and maintaining the Company's disclosure policies and procedures and ensuring that there is an adequate system in place for the disclosure of all material information to the ASX and other authorities in a timely fashion; and
- educating management and staff on the Company's disclosure policies and procedures.

The Board receives copies of all material market announcements promptly after they have been made.

Periodic Reports

The Company has processes in place for reviewing the integrity of periodic reports which are released to the market, including periodic reports which are not audited or reviewed by the external auditor. These processes may include presentations to the Board or relevant Committee by persons responsible for drafting these reports and seeking external advice where appropriate. This Corporate Governance Statement and our ESG reports are examples of periodic reports which are not audited or reviewed by the external auditor.

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Communicating with Shareholders

The Company aims to communicate all important information relating to its shareholders in a timely manner. The Company also recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, the Company communicates information through a range of forums and publications, including the Company's website, shareholder meetings, ASX announcements, annual reports and presentations. The Company lodges any new and substantive investor or analyst presentations with the ASX ahead of any presentation. The Company also has in place an investor relations program to facilitate two-way communication with investors. The process for communicating with shareholders and other parties is documented in the Continuous Disclosure Policy. Shareholders have an option to receive communications electronically by providing relevant details to the Company's share registry. The website also contains a facility for shareholders to direct questions to the Company.

The Board encourages the attendance and participation of shareholders at general meetings. Notices of meetings, including proposed resolutions, are issued in advance of meetings in accordance with legal requirements. Shareholders are advised that they can submit relevant written questions ahead of the meeting, including to the Company's external auditor. All resolutions at shareholder meetings are decided by a poll.

Recognising and managing risk

The Audit and Risk Committee assists the Board with, and makes recommendations on, matters relating to risk management responsibilities. The Committee's responsibilities with respect to risk management and compliance include:

- 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;
- 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;
- evaluating the adequacy and effectiveness of the Group's identification and management of economic, environmental and social sustainability risks (including liaising with the Chair of the ESG Committee as necessary); and
- 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.

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 FY2023.

The Company has adopted an enterprise risk management framework which covers financial and non-financial risks. A senior executive leads oversight of the framework. 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. This includes having robust processes in place to identify and then manage key business risks. 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 documents 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.

The Board receives a written declaration from the CEO and CFO prior to approving the Company's financial statements for a reporting period. The declaration includes statements from the CEO and the CFO that, in their opinion, the financial records have been properly maintained and the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects.

Internal Audit

An internal audit function has been established to evaluate and provide recommendations to improve the effectiveness of the Company's risk management, internal control and governance processes. Internal audit functions are provided by internal resources with assistance from appropriate independent external advisors where required. The head of the internal audit function has direct access to the Chairman of the Audit and Risk Committee and provides reports to the Committee on progress and achievements against an approved internal audit work program.

CORPORATE GOVERNANCE STATEMENT

Economic, environmental and social sustainability risks

Our latest ESG report was released in December 2022. The report can be viewed on the Company's website. The report provides information on how we focus our efforts around ESG factors through the lens of product leadership, operational excellence, supporting our people and robust governance. It also provides information on our targets and aspirations for reducing our GHG emissions. 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 regional leaders are well engaged with business led ESG initiatives, as their collective resources and energy ultimately will deliver on our tangible sustainability goals. At RWC, we also 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.

For more detail on how RWC drives sustainability through its business strategy please see our ESG reports. Running our business responsibly is vital to the Company's long-term future as decisions made can have important consequences for the economy, society, and the environment.

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. 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. We continue to assess our climate related business risks and how best to mitigate these. We have established an ongoing project to identify and capture emissions information and then set appropriate, practical targets and plans to achieve these. Material climate related risks identified will be incorporated into our enterprise risk management processes. The Board's ESG Committee has oversight of these activities. We report on our progress through our ESG reports.

Economic sustainability risks

Details of key economic sustainability risks to which the Group is exposed through its business activities and how these are managed are discussed in the Directors' Report contained in the Company's 2023 Annual Report.

Environmental and social sustainability risks

Historically, the environmental impact of our processes has been minimal, and the Company believes it meets current environmental standards in all material respects.

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 adversely impact the Group's operations and profitability. 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. The Group's safety performance 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.

CORPORATE GOVERNANCE STATEMENT

During FY2023, a global benchmarking review of policies, procedures and culture was undertaken. As a result of this review, a multi-year program has been initiated to improve safety in our workplace and ultimately achieve our objective of zero harm. This program will initially focus on strengthening accountability, transparency and governance, developing safety leaders, managing critical risks and enabling our frontline staff through training and support to keep themselves and their colleagues safe. We are also undertaking a more robust review of reporting practices across the Group aiming to have alignment and consistency of reported measures.

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 ESG reports for details of operational initiatives undertaken in recent years.

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. In Australia, we are transitioning to lead free products as we did in the USA about 10 years ago. The Group invests extensively in research and development at facilities in Australia, the UK and the USA to achieve these aims.

Additional information on the Group's approach to environmental and social sustainability risks, including climate related risks, is contained in the Directors' Report within the 2023 Annual Report and our ESG reports.

The Group also actively participates in local communities and aims to support social issues and causes identified by its employees. Community involvement occurs through corporate donations, sponsorships, fund raising and employee participation.

Further information on the Group's governance, operations, products, approach to social responsibility and involvement in communal activities can be found in our ESG reports which can be viewed on the Company's website.

Remuneration

Details of the Group's remuneration framework, key policies and practices, remuneration arrangements of Key Management Personnel and the employment terms of executive Key Management Personnel are discussed in the Remuneration Report which can be found in our Annual Report. Details of the Company's long-term incentive plan, which provides for equity-based remuneration, are also set out in the Remuneration Report.

Dealing in Securities

The Securities Dealing Policy is intended to explain the types of conduct in relation to dealings in securities that are prohibited by law and establish procedures for the buying and selling of securities that protect the Company, Directors, and employees against the misuse of unpublished information, which could materially affect the price or value of the Company's securities. The policy sets out when and how dealing in the Company's securities may or may not occur. Hedging of equity received by senior executives under long term incentive plans is not permitted prior to vesting. A copy of the Securities Dealing Policy is available on the Company's website.



**Reliance Worldwide
Corporation Limited**
28 Chapman Place
Eagle Farm, QLD 4009

ACN 610 855 877