



CREATING CUSTOMERS FOR **LIFE**

ANNUAL REPORT 2025
- SUSTAINABILITY INFORMATION ONLY

reece
group™

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SUSTAINABILITY

At Reece, we think long term, ensuring meaningful outcomes for our customers, our people, and our business. Sustainability is embedded in how we work, driven by our customer-led vision and shaped by insights from team members and stakeholders. Throughout FY25¹, we continued to deliver progress against our sustainability pillars, laying strong foundations for the future. We're excited by the opportunities ahead as we continue to create a better world for our customers – The Reece Way.



Building a better world for our customers

- Supporting the trade industry
- Sustainable products and solutions
- Clean water

– Areas Reece can be a leader –



Be our best

- Health, safety and wellbeing
- Leadership and development

– Areas of responsibility and continuous improvement –



Do the right thing

- Creating an inclusive workforce
- Reducing waste
- Reducing our carbon footprint
- Ethical supply chain



BUILDING A BETTER WORLD FOR OUR CUSTOMERS

Supporting the trade industry

At Reece, we're committed to shaping the future of the trade industry and supporting our customers' day-to-day operations through our core business and tailored partnerships.

This includes a range of initiatives across community engagement, industry events and training opportunities.

A key focus in ANZ is our collaboration with the Murray Mallee Training Company, which provides students participating in Australian School-based Apprenticeship (ASbA) programs with hands-on experience working in a Reece branch, helping build the next generation of trades.



134

ASbA traineeships completed.

¹Unless otherwise stated, all sustainability metrics relate to FY25.

Sustainable products & solutions

The trade industry continues to evolve in response to society's shift toward more sustainable practices. We're committed to supporting our customers through this transition by offering expert advice and delivering durable, efficient, high-performing products and solutions that meet the demands of today and tomorrow.

Our teams are progressing multiple initiatives, with two key focus areas being:

- the transition toward lower Global Warming Potential (GWP) refrigerants; and
- the shift to more energy efficient heat pump technology.

Driving innovation with Thermann

Reece is advancing electric hot water innovation with the Thermann Integrated Heat Pump. Designed and manufactured in Australia, this smart unit puts power in the hands of users, featuring app-based controls that help users optimise and track energy use.

Smart scheduling features allow alignment with solar PV generation and/or off-peak tariffs, maximising energy efficiency and savings. Combined with R290 refrigerant — a lower GWP alternative — the system is supporting customers transition to more sustainable solutions.



66%

increase in heat pump units sold from FY24.

37%

increase in kg of lower GWP refrigerant sold from FY24.

Clean water

The movement of clean water is at the heart of what Reece, and our customers, do every day. We believe that water is fundamental for quality of life and that trades play an essential role in providing access to this precious resource.

The Reece Foundation, established in 2022, works collaboratively with locally led organisations who know their community's needs best, enabling them to take the lead on the projects and grants we support. Through the work of the Reece Foundation, we're able to deliver practical water and sanitation solutions both in Australia and overseas to communities that need it most.



Building water resilience in Arnhem Land

Mimal Land Management Aboriginal Corporation (Mimal) is an independent Indigenous not-for-profit that stewards 20,000 square kilometres of diverse land systems in south-central Arnhem Land, Northern Territory. Through traditional practices such as controlled burning, Mimal preserves diverse ecosystems while promoting cultural and environmental sustainability.

Access to clean, safe, and reliable water is essential for the community's future. In partnership with Mimal, the Reece Foundation co-designed an initiative to deliver four rainwater tanks, a bore water filtration system and infrastructure upgrades at the Mimal Ranger Base — the operational hub for land management rangers caring for Country. These improvements provide immediate access to clean water and enable Mimal to expand operations. At its core, this project reflects the power of partnership; listening, learning, and working together to create lasting impact.

41,242

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



BE OUR BEST

Health, safety & wellbeing

Creating a culture where our team members are empowered to take responsibility for themselves and others.

18.8

Total Recordable Injury Frequency Rate (TRIFR).

49,393

SafeR walks completed².

Leadership & development

Fostering internal growth and industry expertise to develop our future leaders.

96%

eligible leaders completed core leadership development programs.



²SafeR Walks are inspections conducted by our ANZ branch team members that enable our teams to take a proactive approach to identify and mitigate hazards.



DO THE RIGHT THING

Creating an inclusive workforce

Building a more diverse workforce which will drive higher levels of innovation, customer satisfaction and business performance.

26%

females in leadership positions.

Reducing waste

Finding avenues for our team members and customers to minimise and divert waste that would typically end up in landfill.

23%

waste diverted from landfill.

Reducing our carbon footprint

Pursuing practical and commercial opportunities to reduce our operational emissions.

↓3%

Reduction in scope 1 & 2 emissions (tco2e-) per branch from FY24.

Ethical supply chain

Collaborating across our supply chain to prevent, identify and mitigate the risk of modern slavery.

90%

eligible employees completing modern slavery training.



Refer to pages 114 – 115 for more detail on sustainability metrics.

CLIMATE-RELATED DISCLOSURES

Within this section, climate-related information is disclosed in preparation for mandatory sustainability reporting in FY26. We are committed to aligning our climate-related disclosures with the Australian Sustainability Reporting Standards (ASRS) issued by the Australian Accounting Standards Board (AASB S2).

Strategy

We have conducted an assessment to determine our material climate-related risks and opportunities. With the assistance of external consultants we have performed scenario analysis to evaluate the potential impact of these risks and opportunities on our business under different temperature and time horizon scenarios. In response to the material climate-related risks and opportunities identified, we are developing mitigation strategies, evaluating the financial impacts and formalising transition plans, with the aim of improving our climate resilience.

Risk Management

Reece has developed a climate-related risk and opportunity register and assessed the potential likelihood and consequence for each risk and opportunity utilising the Group’s risk matrix. We are currently implementing procedures to identify, assess, prioritise, and monitor material climate-related risks and opportunities and ensure they are integrated into our overall risk management framework.

Governance

Climate-related governance forms an integral part of our overall corporate governance framework. For an overview of our governance structure and responsibilities, refer to the Corporate Governance Statement on page 28 of this Report.

While the Board holds ultimate accountability for business strategy, the responsibility for oversight of climate-related risks and opportunities and related strategic initiatives and targets has been delegated to the Audit & Risk Committee.

The diagram below illustrates Reece’s governance structure, at the management level, for overseeing climate-related matters, including risks and opportunities. The Group Sustainability Team, reporting into the Group CFO who is part of the Executive Leadership Team, plays a central role in reviewing and validating regional climate-related activities relevant to mandatory climate reporting. The Executive Leadership Team, including regional CEO’s, are responsible for driving activities to address material risks and opportunities within their respective regions. Cross-functional regional teams execute programs of work, sharing insights and learnings between regions, with support from the Group Sustainability Team.

29% of our electricity consumption in FY25 came from renewable sources.



Metrics & Targets

Our targets



35%

Reduction from FY21
scope 2 baseline by 2030.



NET ZERO

Scope 1 and 2
emissions by 2050.

During FY25 we engaged an external consultant to independently review our decarbonisation roadmap assumptions. Progress continues through the installation of solar panels across our Australian sites and grid decarbonisation in key markets, supporting our transition to renewable electricity, which comprised 29% of our total electricity consumption in FY25. We are also continuing to trial new initiatives to help mitigate the risk of not meeting our targets by 2050.

Our metrics

In FY25, the Group's scope 1 and 2 greenhouse gas emissions were 64,819 tonnes of carbon dioxide equivalent (tCO₂e-), calculated using a market-based methodology to reflect our use of renewable energy. This represents an annual increase of 1.3% driven by expansion of the business across both regions. During the year, Reece added 39 branches to its network net of closures. Our emissions intensity metric — measured on a per-branch basis and adjusted for store growth — has decreased 3% year-on-year and 11% compared to our FY21 baseline.

Emissions from fuel rose 1.4% in FY25, primarily driven by growth in the branch network. While total electricity consumption increased with new branches, emissions declined due to the ongoing solar rollout and improved grid renewability.

The table below outlines the Group's GHG emissions data since our baseline year.

Absolute emissions (tCO ₂ e-)	FY25	FY24	FY23	FY22	FY21 (baseline)
Scope 1	40,534	39,623	39,891	36,567	36,238
Scope 2 market-based	24,285	24,373	25,695	27,216	27,864
Scope 2 location-based	24,508	25,169	26,374	29,322	29,074
Total scope 1 and 2 (market-based)	64,819	63,996	65,586	63,783	64,102
Emissions intensity per branch	68.7	70.8	74.0	75.1	77.1

Refer to the supplementary sustainability performance data section for detailed information on the methodology used to calculate scope 1 and 2 greenhouse gas emissions.

Supplementary Sustainability Performance Data

The table below provides a summary of Reece's sustainability-related metrics disclosed in this Annual Report. Sustainability information in this Report covers Reece Limited ('the Group' or 'Reece') and controlled entities for the period 1 July 2024 to 30 June 2025 ('FY25'). We engaged KPMG to perform limited assurance over selected sustainability metrics in FY25. Metrics that have been assured are marked with an asterisk. A copy of the assurance report is available on pages 116 – 117 in this Report.

The Group has reported the information cited in this report with reference to the Global Reporting Initiative (GRI) standards. Refer to the Reece Group website for Reece's GRI content index.

Focus area	Metric	Unit of measure	FY25
Supporting the trade industry	Number of Australian School-based Apprenticeships completed (ASbA traineeships) – ANZ	Number (#)	134
Sustainable products and solutions	Percentage increase in lower Global Warming Potential (GWP) ¹ refrigerants (kg sold) from FY24	%	37%
	Percentage increase in heat pumps (volume sold) from FY24	%	66%
Clean water	Number of people enabled to access clean water & sanitation through the Reece Foundation ²	Number (#)	41,242
Health, safety & wellbeing	Total recordable injury frequency rate (TRIFR) ^{3*}	Rate	18.8
	Number of SafeR walks completed ⁴	Number (#)	49,393
Leadership and development	% eligible leaders completing core leadership development programs	%	96%
Creating an inclusive workforce	Percentage females in leadership positions ⁵	%	26%
Reducing waste	Percentage waste diverted from landfill ⁶	%	23%
Reducing our carbon footprint	Scope 1 and 2 emissions	tCO2e-	Refer to next page
	Scope 1 and 2 emissions intensity per branch from FY24 ⁷	%	-3%
	Total energy consumption from all sources ⁸	GJ	762,397
	Percentage of electricity from renewable sources	%	29%
Ethical supply chain	Percentage eligible employees completing modern slavery training	%	90%

* Metric subject to limited assurance by KPMG in FY25.

¹ Lower GWP refrigerants are those with a GWP below 1500. As the industry evolves, Reece will review and refine this threshold.

² Reported as at 30 June 2025. This number is externally reviewed by Huber Social, the Reece Foundation's partner for social impact measurement framework, as part of the Reece Foundation Impact Report, which is available on the Reece Foundation website.

³ TRIFR measures the total number of work-related lost-time injuries (LTI) and medical treatment injuries (MTI) per million hours worked during a single financial year. Total hours worked excludes paid time off and contractor hours. An LTI is a work-related injury or illness that causes one or more missed work shifts or days, verified by a medical certificate and a formal claim to the relevant authority. An MTI is a work-related injury or illness requiring treatment by a medical professional. It includes injuries that require a reduction or modification to an employee's standard duties.

⁴ SafeR Walks are inspections conducted by our ANZ branch team members that enable our teams to take a proactive approach to identify and mitigate hazards that may lead to incidents.

⁵ The percentage of females in leadership positions is calculated as the proportion of females within the employee categories of the Board, Senior Leadership Team and senior management.

⁶ In FY25, the reuse of cardboard at our Australian branches has been included for the first time in diverted waste. Cardboard boxes used for incoming goods are repurposed for packaging customer orders, contributing to our waste reduction efforts.

⁷ Emissions intensity per branch is calculated as total absolute scope 1 and 2 (market-based) emissions in tCO2e- divided by the total number of branches at the end of the reporting period.

⁸ The sources included are fuel usage, natural gas usage, purchased electricity, and solar energy consumption.

Team members by management level category and gender in FY25*

Category	Female	Male	Gender X	Total
Board	2	6	-	8
Senior Leadership Team	7	21	-	28
Senior Management	38	106	3	147
Managers	163	1,148	1	1,312
Team Members	1,731	5,741	34	7,506
Total	1,941	7,022	38	9,001

The above table presents total number of employees (regardless of employment status, i.e., full-time, part-time, or on leave), excluding contractors as at 30 June 2025 for the Group. Employee categories are defined as: the Board, Senior Leadership Team (Group CEO, Group President, regional CEO's and direct reports), Senior Management (reports to Senior Leadership), Managers (anyone not identified in the categories above with direct reports), and Team Members (remaining employees not captured in the categories above). Gender X refers to employees who identify as a gender other than female or male, or prefer to not identify. Peter Wilson and Sasha Nikolic hold roles in both the Senior Leadership Team and the Board, however are included under the Board category in the above table.

*The figures in the table above have been subject to limited assurance by KPMG in FY25.

Absolute scope 1 and 2 emissions in tCO₂e-

Metric	FY25*	FY24	FY23	FY22	FY21 (baseline)
Scope 1	40,534	39,623	39,891	36,567	36,238
Scope 2 (market-based)	24,285	24,373	25,695	27,216	27,864
Scope 2 (location-based)	24,508	25,169 [#]	26,374	29,322	29,074
Total scope 1 and 2 (market-based)	64,819	63,996	65,586	63,783	64,102

Scope 1 and 2 greenhouse gas emissions are aligned with the *Greenhouse Gas Protocol: A Corporate Accounting and reporting Standard (Revised Edition)* (GHG Protocol) and use an operational control consolidation approach. The Group's scope 1 greenhouse gas emissions include direct emissions from transport fuel usage by Reece's owned and leased vehicles, natural gas usage and fugitive emissions from HVAC refrigerant usage. Scope 2 greenhouse gas emissions include indirect emissions from the consumption of purchased electricity and are calculated using a market-based and location-based methodology. The Group's scope 1 and 2 greenhouse gas emissions comprise of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). We do not produce any greenhouse gas emissions from nitrogen trifluoride (NF₃), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). Where data is unavailable at the time of reporting, estimations are applied using relevant assumptions.

Country specific emission factors are used in the calculation of greenhouse gas emissions. The following sources are used and reviewed annually by Reece:

- Australian Government Department of Climate Change, Energy, and Environment and Water
- New Zealand Ministry for the Environment
- United States Government Environmental Protection Agency
- Global warming potential values from the Intergovernmental Panel on Climate Change (IPCC), *Fifth Assessment Report* (AR5).

[#] Location-based scope 2 emissions for FY24 have been restated from 26,299 tCO₂e to 25,169 tCO₂e, due to the application of a corrected location-based emissions factor for electricity consumed at New Zealand sites.

*FY25 scope 1 and 2 emissions presented in the table above have been subject to limited assurance by KPMG.

Independent Limited Assurance Report for Selected Sustainability Information



Independent Limited Assurance Report to the Directors of Reece Limited

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information presented in the FY25 Reece Annual Report, has not been prepared by the Management of Reece Limited (Reece), in all material respects, in accordance with the Criteria for the year ended 30 June 2025.

Information Subject to Assurance and Criteria Used as the Basis of Reporting

Reece engaged KPMG to perform a limited assurance engagement over Selected Sustainability Information in the FY25 Reece Annual Report, for the year ended 30 June 2025 in accordance with the Criteria, as defined in the following table:

Selected Sustainability Information	FY25	Unit	Criteria used as the basis of reporting (the Criteria)
Scope 1 GHG Emissions	40,534	tCo2e	Reece Group Emissions Basis of Preparation*, which is aligned to Greenhouse Gas Protocol (GHGP): A Corporate Accounting and Reporting Standard
Scope 2 GHG emissions (location-based)	24,508	tCo2e	
Scope 2 GHG emissions (market-based)	24,285	tCo2e	
Total recordable injury frequency rate (TRIFR)	18.8	Rate	Reece Group Social & Safety Basis of Preparation*
Team members by management level category and gender as at 30 June 2025	All metrics in Table <i>Team members by management level category and gender in FY25</i> in section Supplementary Sustainability Performance Data	Number (#)	Reece Group Social & Safety Basis of Preparation*

*A summary of each Basis of Preparation is provided in the data footnotes in the FY25 Reece Sustainability Report included within the Reece Annual Report.

We assessed the Selected Sustainability Information against the Criteria. The Selected Sustainability Information needs to be read and understood together with the Criteria.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000) and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (ASAE 3410) (the Standards). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with the Standards, we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Selected Sustainability Information, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Interviews with senior management and relevant employees to understand the internal controls, governance structure and reporting processes of the Selected Sustainability Information;
- Walkthroughs of the Selected Sustainability Information to source documentation;
- Assessing Reece's application of operational control and reporting boundaries against the Criteria. This includes assessing completeness over the aggregated Reece Group datasets;
- Testing the arithmetic accuracy of calculations in datasets for scope 1 and 2 GHG emissions for FY25 and safety metrics;

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- Analytical procedures over the Selected Sustainability Information;
- Agreeing the Selected Sustainability Information back to underlying sources on a sample basis. This includes invoices for GHG emissions metrics, incident report and hours worked data for safety metrics, and head count and employee data records for social metrics;
- Assessing emission factor sources against industry practice and re-performing emission factor calculations;
- Assessing of the suitability of the Criteria; and
- Reviewing the Reece FY25 Annual Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the Selected Sustainability Information may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in:

- the methods used for determining or estimating the appropriate amounts,
- information used to determine emission factors, and
- the values needed to combine emissions of different gases.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Reece.

Use of this Assurance Report

This report has been prepared solely for the Directors of Reece who have voluntarily commissioned this independent assurance over the Selected Sustainability Information to enhance transparency and confidence in their oversight and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Reece, or for any other purpose than that for which it was prepared.

Management's Responsibility

Management are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the Selected Sustainability Information;
- ensuring that those criteria are relevant and appropriate to Reece and the intended users; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the Selected Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Selected Sustainability Information for the year ended 30 June 2025, and to issue an assurance report that includes our conclusion based on the procedures we have performed and evidence we have obtained.

Our Independence & Quality Management

We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG
KPMG

SE Newman
Sarah Newman
Partner
Melbourne
25 August 2025

J. Carey
Julie Carey
Partner
Melbourne
25 August 2025



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