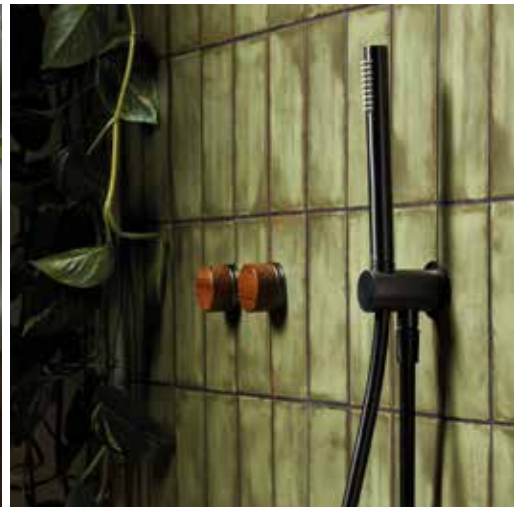


2022 SUSTAINABILITY REPORT



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INTRODUCTION FROM THE CHAIRMAN AND MANAGING DIRECTOR



Welcome to GWA's fourth Sustainability Report.

At GWA sustainability is embedded within the organisation's corporate strategy, being part of the environmental, social and governance (ESG) foundation pillar.

We are pleased to present our continued progress on our sustainability agenda which remains focused on:

- Operating in a sustainable manner across our business by managing our resources as efficiently as possible and by acting in a socially responsible manner; and
- Providing market leading products and systems that contribute to sustainability by making life better through sustainable water saving solutions for the built environment.

That focus starts with our people and we are pleased to report good progress in our safety strategy with a reduction in the Lost Time Injury Frequency Rate (LTIFR) in FY22 to 1.9 from 4.3 in the prior year.

We continue to leverage GWA's rich heritage and long history in contributing to more sustainable communities through our operations and in providing superior products and solutions for people to enjoy and sustain water, our planet's most precious resource.

During the year we continued to deliver innovative and sustainable products and solutions which are detailed in this report.

With more focus on carbon emission and waste reductions across both the consumer and commercial segments, we are conscious of the increased importance of minimising the environmental footprint of products used in construction projects. GWA is actively seeking to review and understand the environmental impact of manufacturing and supply of our products with a focus on reducing embedded carbon in our products.

GWA's unique product offering in sustainable water solutions will be a significant opportunity in efforts to transition to a low carbon economy. Our range of sustainable water solutions for the built environment continue to make a significant impact on the sustainability of homes and buildings.

While GWA is a low emissions intensity entity, as its business activities are less carbon intensive than other sectors, GWA is committed to meeting the long-term sustainability credentials that are expected by stakeholders.

In addition to energy, we continue to implement measures across our operating facilities targeted towards reducing other areas of our operational footprint including water and waste reduction.

A key part of our strategy is establishing our purpose. This captures what we are doing across the organisation with a clear focus on our role in contributing to more sustainable buildings.

Consistent with our purpose of making everyday water experiences extraordinary, we continue to focus beyond the innovative, design-oriented and sustainable products to include training and education of plumbers, specifiers and architects focusing on the entire value chain to drive our sustainability agenda.

Once again, the COVID-19 pandemic delayed some of our sustainability initiatives in FY22, however, we continued to make progress in key areas of our sustainability agenda which are reflected in this report.

We would like to acknowledge and thank the entire team at GWA for their continued contribution over the past year, particularly in ensuring the health and safety of everyone across our business. Our continued progress in our sustainability agenda remains a testament to the ongoing efforts of our people.

Handwritten signature of Darryl D McDonough in black ink.

Darryl D McDonough
Chairman

23 September 2022

Handwritten signature of Urs B Meyerhans in black ink.

Urs B Meyerhans
Managing Director

23 September 2022

SUSTAINABILITY KEY HIGHLIGHTS FY22

GWA continues to operate with sustainability at our forefront by managing our resources as efficiently as possible.

We act in a socially responsible manner and leverage our market leading position to provide a range of products, services and solutions that contribute to sustainability by making life better through superior water saving solutions for the built environment. Selected highlights over the past year include:

OUR PEOPLE

Ongoing commitment to providing a safe, motivating and rewarding environment to support our people reaching their potential and delivering on business goals.



Focus on the health, safety and wellbeing of employees during the pandemic and associated lockdowns with a significant reduction in the Lost Time Injury Frequency Rate (LTIFR) in FY22.



Development and delivery of an enterprise wide training program to support an effective ERP implementation and a continued focus on building competence and confidence, and functional and leadership skills.



Continued adherence to globally recognised safety standards and an ongoing process of review and continuous improvement with internal and external audits.

SUSTAINABLE WATER SOLUTIONS AND INNOVATION

GWA contributes to environmental sustainability through the development of products and systems which deliver water efficient and water saving solutions in the built environment.



Caroma Smart Command® products have accumulated estimated water savings of 8,623kL and 7,647kg of carbon for our customers in the last two years.



Caroma Smart Command® now delivers over 3.8 million data points daily for our customers, helping them save water, improve hygiene and drive costs down.



Focus on water efficiency with over 87% of Caroma taps being 5 or 6 Star WELS rated, while 95% of Caroma sanitaryware products are 4 Star WELS rated.

ENVIRONMENTAL IMPACT

GWA has an active program to minimise our environmental impact by operating in a sustainable manner and managing our resources efficiently.



GWA has established Sustainable Packaging Guidelines with the aim of eliminating single use plastics in our packaging by 2025. GWA Opal Tapware and Urbane Sensor Tapware products were launched with fully recyclable and reusable packaging.



GWA continues its Partner Membership with the Australian Packaging Covenant Organisation (APCO) which guides our packaging recyclability.



GWA has transitioned two of its facilities to 100% GreenPower and will continue the procurement of renewable sources for its energy contracts as they come up for renewal.

ETHICAL AND SUSTAINABLE SOURCING

GWA's commitment to conducting business in an environmentally and socially responsible manner also extends to the expectations we maintain of our manufacturing supply partners to operate to the same exacting standards.



Independent third party audits of two major supply partners representing a combined 8% of GWA supplier spend (49% over a rolling three-year period).



Strengthened investment in ethical sourcing by finalising the process to become a member of Sedex to complement existing measures by identifying and addressing ethical sourcing risks, as well as ensuring we continue to operate as a responsible and transparent supply chain within the global community.



No significant breaches of ethical sourcing policies identified in FY22.

COMMUNITY

GWA partners with community-based and charitable organisations to support their endeavours which is in line with our vision of making life better.



Continuing partnership with The Smith Family - supporting the educational outcomes of 60 disadvantaged children in drought affected areas in Australia with an extra \$20,000 donated for flood relief.



Support of Wigan and Leigh Hospice, and FareShare in the UK.



Ongoing sponsorship of Sustainable Coastlines, assists to remove 30,000 litres of rubbish annually from New Zealand beaches and waterways.

ABOUT THIS REPORT



This is GWA's fourth stand-alone Sustainability Report. The structure of the Sustainability Report is outlined below:

1. About GWA
2. Innovation in water sustainability
3. Our people
4. Environment
5. Ethical and sustainable sourcing
6. Community
7. Governance and risk management

This report includes data for the period 1 July 2021 to 30 June 2022 unless otherwise stated.

The environmental data included in this report for water, waste and energy is for GWA-operated sites and does not include data for sites which are not controlled or operated by GWA (e.g. manufacturing supply partners).

While GWA has not formally adopted the Global Reporting Initiative (GRI) framework for this report, we continue to reference the relevant core principles of the GRI reporting system as it relates to our sustainability practices and performance across our business.

GWA also continues to reference the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals in this report, particularly as they relate to the risks and opportunities to climate change.

STAKEHOLDER ENGAGEMENT

GWA remains committed to building and maintaining strong relationships with our stakeholders. In preparing this report, GWA has consulted with various stakeholders to identify key risks and opportunities relevant to our business. Stakeholders most relevant to our operations with whom we continue to engage include:

- Our people
- Institutional and retail shareholders
- Governance advisers
- Customers
- Manufacturing supply partners
- Debt markets/lenders
- Insurers
- Regulatory authorities
- Unions
- Industry groups
- Others

Section 1: ABOUT GWA

GWA is a leading innovator, designer and supplier of product solutions, services and intelligent technology focused on the delivery of sustainable water solutions for bathrooms, kitchens and laundries.

We own and distribute market-leading brands and state of the art product solutions across our ranges of sanitaryware, tapware, showers, basins, baths, kitchen sinks, laundry tubs, bathroom/kitchen accessories and valves. We have an intelligent bathroom system incorporating Internet of Things (IoT) smart water management solutions.

GWA operates and has sale and distribution facilities across its primary markets of Australia, New Zealand, the United Kingdom and Asia (noting that GWA ceased its China sales function as of 30 June 2022).

We are highly respected within the building industry for innovation, water efficiency and safety, product reliability and quality, technical expertise and superior service.

We maintain quality and cost efficient long-term supply agreements with selected, exclusive manufacturing partners across Asia and Europe. GWA has an experienced senior management team in design, research and development, brand building, customer engagement, supply and distribution.

OUR PURPOSE

Making everyday water experiences extraordinary – today, and for tomorrow.

OUR STRATEGY

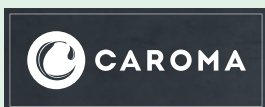
To be the trusted and integrated solutions partner in the delivery of sustainable water solutions for bathrooms, kitchens and laundries.

OUR CULTURAL PILLARS

We are one team
We are customer focused
We care for each other

OUR BRANDS

With a range of products across our brands portfolio, we provide solutions that answer different applications in the bathroom, kitchen and laundry as relevant to local customer markets.



METHVEN

CLARK

dorf

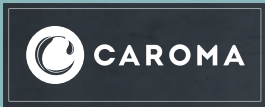


Deva™ by METHVEN

FLEXISPRAY

NEFA
BY METHVEN

OUR BRANDS



AUSTRALIA'S BATHROOM BRAND

With a heritage in delivering innovation in bathroom solutions, Caroma is known for its combination of function, form and design aesthetics to ensure enjoyable and reliable product experiences.

Designing for Australians and New Zealanders, from all walks of life, Caroma provides solutions to answer different customer tastes and needs. Our wide range answers customer requirements from more classic collections to premium styles, uniquely combining natural Australian materials.



METHVEN

CREATING AMAZING WATER EXPERIENCES

At Methven we are all about making water amazing. Creating amazing water experiences is what we do every day at Methven and have done since 1886. Methven is renowned for beautifully designed, award winning showers, taps and valves. Over the years we have learned to harness the power of water to cleanse, calm, refresh and invigorate. And it's this expertise - combined with our passion for design and innovation - that fuels our ongoing mission to create amazing water experiences.



CLARK

AUTHENTIC, AUSTRALIAN SPIRIT

Since 1941, CLARK has worked tirelessly to make Australian kitchens and laundries more appealing and practical. CLARK, which has now also extended into the bathroom space, offers a variety of versatile and stylish designs to suit even the smallest of bathroom spaces, no matter how tight the budget. The Australian in-house design team and like-minded collaborators have designed and engineered a range of products right here in Australia that are thoughtfully simple and refreshingly smart, bringing pleasure and enjoyment to customers every day.



dorf

BEAUTIFULLY DESIGNED, THOUGHTFULLY ENGINEERED

For over 70 years Dorf has been a staple solution in tapware installed across Australia, known for strong aesthetics in products spanning bathrooms, kitchen and laundries.

Section 2:

INNOVATION IN WATER SUSTAINABILITY

GWA has a proven and long-standing history in developing innovative solutions for water. This is reflected in our continued pioneering approach in innovation and design to deliver state of the art water saving solutions for the built environment.

We contribute to environmental sustainability through the development of products and systems which deliver water efficient and water saving solutions for residential and commercial premises.

We are committed to investing in local innovation hubs in Australia and New Zealand, and providing our teams with the resources and technology to strongly support our innovation outcomes. GWA has two centres of excellence including:

- Caroma Innovation and Distribution Centre at Prestons in NSW; and
- GWA Experience and Distribution Centre at Avondale in New Zealand.

RESEARCH TEST RIGS

In support of GWA's commitment to the creation of innovative sustainable designs and solutions that conserve water, two state of the art research test rigs have been developed at the Caroma Innovation and Distribution Centre at Prestons, NSW. The rigs are used as working research laboratories where actual operating system conditions can be replicated for both commercial buildings and residential applications, enabling new plumbing technologies and systems to be explored and validated. The rigs comprise:

- Commercial test rig with varying building and bathroom product layouts connected to clear drainline pipework over four levels where the influence of new plumbing technologies and systems in buildings can be evaluated; and
- Domestic test rig over 60 metres in length with four clear drainline configurations where the influence of new plumbing technologies and systems in domestic long run applications can be evaluated.

The rigs provide a unique advanced capability for GWA to produce the next generation of sustainable technologies and solutions for applications in Australia and New Zealand.





CASE STUDY

GWA DRIVES IMPROVED BATHROOM HYGIENE SOLUTIONS

Protecting bathroom users from the spread of harmful bacteria and illness and ensuring cleanliness and hygiene in public or shared bathroom spaces is now more important than ever, particularly in the context of COVID-19.

As public or shared bathrooms are high traffic spaces, they carry a higher risk of bacterial spread. It is therefore important that fixtures and systems be put in place that can help reduce risk of bacteria transmission and drive more hygienic outcomes for users.

In response, one of GWA's key product innovations is Caroma GermGard®.

Caroma GermGard® protection is a unique, proprietary antimicrobial formula that kills a minimum of 99.9% bacteria it comes into contact with, when applied to products. This technology not only helps prevent the spread of bacteria but also makes cleaning even easier, making it ideal not only for households and commercial premises, but also for care applications such as hospitals, aged care facilities and accessible or ambulant bathrooms.

Caroma GermGard® is tested to JIS Z 2801:2010 Antibacterial Products - Test for Antibacterial Activity and Efficacy, which is recognised internationally for testing the response to harmful bacterial *Staphylococcus aureus* ("Staph") and *Escherichia coli* ("E Coli").

Caroma GermGard® protection is available on Caroma Care Support Grab Rails, Caroma Toilet Seats and Urbane II Pans. GermGard® antimicrobial formula is also integrated into the specially designed rubber seals on Caroma Care Support Grab Rails, making cleaning the concealed flange easier and preventing infection while providing support for people in need.

OUR HISTORY OF DELIVERING SUSTAINABLE WATER SOLUTIONS



1980 WORLD'S FIRST DUAL FLUSH TOILET

In 1980, Caroma developed the first Dual Flush toilet which saved approximately 32,000 litres of water per household annually through the introduction of full/half flush technology which allowed homeowners and businesses to have the option of an 11 litre (full) or 5.5 litre (half) flush.



1986 AUSTRALIA'S FIRST SINGLE PIECE SINK

During the 1980s, Clark was the first in Australia to successfully launch Monobloc sinks made from a single piece of stainless steel.



2004 METHVEN SATINJET® SHOWER

Unlike conventional showers, the award-winning Satinjet® uses unique twin-jet technology to create optimum water droplet size and pressure, with over 300,000 droplets per second.



2006 FIRST WELS 6 STAR URINAL

In 2006, the Caroma Cube 0.8 litre Smartflush® Urinal technology was the first to achieve the maximum 6 Star Water Efficiency Labelling Scheme (WELS) rating for water conservation, leveraging technology to maximise water efficiency by eliminating unnecessary false flushing.



2009 FIRST WELS 5 STAR TOILET SUITE

The Caroma Profile 5 toilet was Australia's first 5 Star toilet suite featuring a cistern with a dual-flush push button and spout combination. The design enables the same water to be used for two purposes, fresh water is first used for hand washing and then flows into the cistern to ultimately flush the toilet.

1980s

1990s

2000s



1985 AUSTRALIA'S FIRST SINGLE LEVER MIXER TAP

Dorf was the first tap brand in Australia to introduce a single-lever mixer - Flickmixer. Still today, the name 'Flickmixer' is regularly used to refer to any mixer tap.



1993 FIRST REDUCED FLUSH DUAL FLUSH TOILET 6L/3L

A major step change to reduce global water usage, Caroma launches a range of 6L full/3L half flush toilet suites. Significantly reducing the traditional 11 litre (full)/5.5 litre (half) flush systems with matching reduced flush pan technology. The technology won the Australian Design Award together with the Powerhouse Museum Award.



2005 CAROMA SMARTFLUSH® TOILET

In 2005, Caroma's Smartflush® technology won the Australian International Design Award and Home Beautiful Product of the Year. Caroma Smartflush® further reduces water consumption to only 4.5 litre (full) or 3 litre (half) flush.



2009 PATENTED ORBITAL® CONNECTOR

Designed to overcome major issues around plumbing set-out connections, extending set-out up to a 50mm radius. A solution that solves common installation issues and saves time for plumbers; a flexibility welcomed by the plumbing community.



2009 CAROMA'S INVISI SERIES II TOILET

In 2009, Caroma launched the Invisi Series II range and won the Australian International Design Award.



2015
**METHVEN AURAJET®
SHOWER**

The award-winning Aurajet® technology delivers a full-bodied spray with maximum body contact. Delivers a highly efficient shower with 20% more spray force and twice the amount of water contact on skin than a conventional Methven shower.



2018
**CAROMA SMART
COMMAND®
TOUCHLESS
INTELLIGENT
BATHROOM SYSTEM**

In October 2018, Caroma announced the next evolution in sustainable water management with the launch of Caroma Smart Command®, a comprehensive touchless intelligent IoT solution for commercial bathrooms. In 2019 Caroma Smart Command® - won the Good Design Award Best in Class from Good Design Australia.



2019
**CAROMA
ADJUSTABLE
FLUSHPIPE**

For behind the wall concealed toilet suites the pans require precise placement of the flush water inlet. Any variation from specified floor levels will require expensive rectification work to install the toilet pan. Caroma's new adjustable flushpipe allows plumbers to quickly realign the water inlet without visible damage to bathroom walls, saving on significant rectification costs and on-site time.



2021
**CAROMA
GERMGARD®**

Caroma GermGard® protection is a unique, proprietary antimicrobial formula that kills a minimum of 99.9% bacteria it comes into contact with, when applied to products. This technology not only helps prevent the spread of bacteria but also makes cleaning easier.

2010s

2020s onward...



2016
**CAROMA
CLEANFLUSH® TOILET**

Caroma Cleanflush® uses patented rimless technology combining Caroma's unique flush and flow innovation to improve hygiene and cleaning effectiveness whilst still leveraging the lowest water per flush usage available. In 2016, Caroma won the Best in Class, Good Design Award for the Cleanflush® technology toilet range.



2018
**METHVEN VJET®
SHOWER**

The award-winning Vjet® technology allows the user to activate a seamless spray transition - from a firm, invigorating shower spray, to a gentle, enveloping warmth and everything in between. Crafted from high grade stainless steel which is both stylish and durable.



2020
**CAROMA SMART
COMMAND®
INTELLIGENT SHOWER
AND ECO-VALVE**

Caroma Smart Command® launched two new products as part of its water solutions system. The Intelligent Shower's control mechanism, shower display and 'smart diversion of pre-warmed water' can reduce a building's water usage. The Eco-Valve can prevent major and minor leaks within a building and as such save water.



2021
**METHVEN KIRI MK2
LOW FLOW SHOWER**

Methven launched Kiri MK2 Low Flow Shower into the Australian market in 2021. With a WELS 5 Star, 5.5 litre/min rating and the inclusion of award-winning Satinjet® technology, this product delivers superior performance and comfort whilst saving water and energy and supports the sustainability goals of commercial end of trip facilities.

Section 3:

OUR PEOPLE

GWA is committed to providing a safe, motivating and rewarding environment to support our people reaching their potential and delivering on business goals.

Our Cultural Pillars set the tone for the behaviours we value, promote and reward.

GWA's three Cultural Pillars are:

- We Are One Team;
- We Are Customer Focused; and
- We Care for Each Other.

Our Pillars foster our culture of connection, collaboration and commitment to each other, our customers and the community in which we operate, which together make GWA a great place to work.

Our Cultural Pillars are embedded across the business, woven into the way we develop, measure and reward performance. Specifically, we embed our Cultural Pillars by:

- Promoting our pillars as part of our recruitment process and assessing alignment to our pillars as part of hiring criteria;
- Educating new starters during onboarding;
- Measuring performance against our pillars during mid-year and annual performance reviews; and
- Rewarding team members who display our Cultural Pillars through our monthly and annual peer recognition program called our Making Life Better Awards.

We have in place employee-led Culture Councils across Australia, New Zealand and the United Kingdom tasked with the objective to identify and deploy activities throughout the year that reinforce our Cultural Pillars and build employee and community engagement.

We consult with our team members regularly. In Q1 FY22 we conducted an employee survey across all countries. Questions relating to physical and psychological safety scored favourably, with the majority of employees either 'agreeing' or 'strongly agreeing' that GWA is performing strongly in this area.

We also surveyed our teams throughout Q2 and Q3 of FY22 with specific reference to the impact of COVID-19, lockdowns and preferred ways of working, and we aligned our approach in response to the feedback. We introduced a hybrid working model as a direct result of our team members' preferences.

During lockdowns, and consistent with our Cultural Pillar 'We Care for Each Other', we implemented a diverse range of 'keeping connected' initiatives including:

- Online sites to provide government and public health updates;
- Wellbeing and mental health information on our Wellness Hub;
- Social activities such as trivia nights;
- Implemented 'Call Tree' initiative where leaders conducted regular wellness checks on team members; and
- Isolation support where employees delivered groceries and household supplies to colleagues in isolation.

WORKPLACE HEALTH & SAFETY

GWA is committed to maintaining a positive safety culture with an ongoing proactive approach to identifying and mitigating safety risks. Workplace safety remains an ongoing focus for the Board and the executives of GWA. We maintained our focus on ensuring that we provide a safe workplace for our employees, contractors, visitors and customers by driving programs, policies and practices that enhance our positive safety culture and actively reduce and mitigate risk.

"We care for each other" is a Cultural Pillar of the organisation that drives our objective to ensure everyone is safe, every day. The GWA management structure for Workplace Health and Safety (WHS) continues to be centrally-led by the Head of Health and Safety, with safety specialists covering all our distribution sites. The Head of Health and Safety as a senior leader addresses the Board and Executive on a regular basis to discuss all matters relating to workplace safety.



CASE STUDY

ZERO MEDICALLY TREATED INJURIES IN FY22

For the third successive year, GWA has maintained a Medically Treated Injury Frequency Rate (MTIFR) of zero.

Our continued implementation of preventative measures, including hazard reduction, near miss reporting, ongoing training and toolbox talks, and root cause analysis of incidents, has driven sustainable cultural change.

During FY22, we continued to make substantial progress in the implementation of our safety strategy with a strong focus on wellbeing and identification and mitigation of physical risks in our operations. The increased focus on cultural and behavioural drivers has resulted in an improvement in most of GWA's lead and lag indicators of safety performance. We have implemented customised training strategies and revised standard operating procedures to address the root causes of injuries.

Key achievements during the financial year included:

- Implemented a comprehensive COVID-19 Management Plan that successfully managed the impacts of COVID-19 across the business. The Plan included the implementation of site access controls, contact tracing and tracking on site, RAT testing and hybrid working practices. We surveyed our teams throughout the year to inform how we could support them during lockdowns. We sought feedback and we adjusted the way work was conducted in response to the feedback.
- Continued to meet the requirements to ensure the health and safety of our workers under WHS legislation and undertook a successful ISO 45001 audit during the period.
- Improved driver safety behaviour and a reduction in road accidents in company vehicles post the introduction of driver awareness training.
- Appointed and trained Mental Health First Aid Officers across the business.

In acknowledgement of the impact of COVID-19 on mental health we implemented some additional measures including:

- Deployed training sessions for leaders delivered by a psychologist on how to support positive mental health outcomes in their teams.
- Engaged Dr Paul Griffin, medical expert in Infectious Diseases, to deliver workshops to employees relating to the pandemic and vaccination research.
- Extended to team members 1-1 sessions with Dr Griffin to discuss the topic of vaccination in a private and confidential setting.

SAFETY PERFORMANCE INDICATORS

GWA measures a range of balanced safety performance indicators. We continuously identify, implement, and monitor our activities to ensure we eliminate unsafe acts and practices.

These activities, identified as proactive 'LEAD' indicators, include the number of safety interactions conducted, hazards reported, site inspections and actions closed.

GWA also measures key 'LAG' indicators that measure lost time and medically treated injuries, hours lost due to injury, and total injuries.

LEAD INDICATORS

During FY22, GWA's safety performance measured by Lead indicators is detailed below:

Metric	Result in FY22
Recorded Safety Event	999
Hazards Closed	86%
Actions Closed	88%
Site Inspection Completion	94%

LAG INDICATORS

During FY22, GWA's safety performance measured by Lag indicators is detailed below:

Metric	Result in FY22
LTI FYTD	2
LTIFR Rolling	1.9
MTI FYTD	Nil
MTIFR Rolling	Nil
TI FYTD	2
TIFR Rolling	1.9

GWA TOTAL INJURY FREQUENCY RATE (TIFR) OVER FIVE YEAR PERIOD

We experienced a decrease in the rate of TIFR from 4.3 in FY21 to 1.9 in FY22.

GWA TOTAL INJURY FREQUENCY RATE (TIFR) OVER FIVE YEAR PERIOD



DEVELOPING A HIGH-PERFORMANCE CULTURE

At GWA we know that the right people, in the right roles with the right skills today and for tomorrow is how we drive sustainable business performance.

GWA has a Talent Development and Succession Planning process in place across all levels of the business. Regular talent reviews take place throughout the year to identify and develop our key and critical talent and to ensure we have bench strength for succession.

We leverage secondment and project opportunities to broaden the skills of our talent and to expand their cross functional knowledge. These opportunities shift the focus from individual and team-based contribution to enterprise contribution that builds well rounded and commercially aware leaders.

We focus on ensuring our employees perform work consistent with their interest, skills, and strengths. Our Employee Engagement survey in September 2021 confirmed this alignment with our teams' response to the question 'My role is an excellent fit with my strengths' scoring above the external benchmark.

DIVERSITY AND INCLUSION

GWA is committed to fostering an inclusive culture where people feel safe, valued and supported to perform their best. We celebrate the richness in creativity and decision making that diversity brings, and we strive to bring this as a point of differentiation to the customers, suppliers and communities we serve.

At GWA we are committed to:

- A workplace which is free from discrimination, harassment, bullying, victimisation and vilification;
- treating employees fairly and with respect;
- a workplace culture that is inclusive and embraces individual differences;
- equal employment opportunities based on ability, performance, and potential;
- staff awareness of their rights and responsibilities with regards to fairness, equity, and respect;
- deploying flexible work practices and policies to support employees and their changing needs;
- attracting, retaining and developing a diverse range of talented people; and
- supporting equitable frameworks and policies, processes and practices that limit potential unconscious bias.

Over recent years, we have implemented a range of initiatives that have laid the foundation for an inclusive workplace.

Initiatives embedded in FY22 include:

FAIR, EQUITABLE AND INCLUSIVE RECRUITMENT AND SELECTION PRACTICES

- Interview panels for senior and key roles include male and female representation
- Coaching hiring managers in behavioural interviewing practices and unconscious biases
- Focusing on transferable skills to broaden the talent pool.

FLEXIBLE WORK PRACTICES

- Making it easy for employees to structure their work to meet their needs during different stages of their lives whilst still aligning with business needs
- Hybrid working practices that provide team members with flexibility in relation to where they work
- Introduction of a Ways of Working (WoW) approach which focusses on teams agreeing how they engage during their moments that matter.

PAY PARITY THROUGH SYSTEMATIC AND ONGOING REMUNERATION ANALYSIS

- Employees on parental leave receive a remuneration review in line with the overall business review cycle
- Ongoing analysis of remuneration practices to maintain alignment to framework
- Remuneration adjustments made during annual review cycle to address any gender parity anomalies.

In September 2021, GWA conducted an engagement survey and results relating to questions around wellbeing, flexibility, and inclusion were the most favourable rated, with the score for the question relating to 'My Manager cares about me as a person' being significantly above the external benchmark.

While the female participation rate for GWA's overall workforce has remained generally consistent at around 42% in FY22, the percentage of females at the Executive level has increased from 14% in FY21 to 38% in FY22. The female participation rate at the Board level remains consistent at 33% for Non-Executive Directors.

The following table is a breakdown of the female representation by category for GWA as at 30 June 2022.

Title	% Female (All GWA)
Board of Non-Executive Directors	33%
Executive Team	38%
Senior/Other Managers	39%
Total Management	39%
Total Non-Management	43%
Overall Total	42%

INVESTING IN OUR PEOPLE

At GWA we believe that sustainable business performance is achieved when we have the right people with the right skills focussed on the right priorities.

FY22 focused on ensuring a comprehensive training regime targeted at a successful ERP implementation. Key initiatives included:

- Deployment of ERP system functional training with over 450 group and individual learning interactions;
- Just-in-time learning through the introduction of digital adoption tool - Walk Me;
- Train the Trainer sessions to Subject Matter Experts prior to deploying training; and
- Bespoke competency based 1-1 coaching sessions on system use.

Each year we run a Learning Festival throughout the month of November where we deliver a range of training interactions each day covering topics ranging from general interest to compliance requirements. This year the focus was on the acquisition of system knowledge to coincide with our ERP implementation. During the month we delivered over 50 bootcamp sessions.

Other training and development initiatives included:

- Delivery of our Great Beginnings two-day onboarding program;
- Building on and embedding leadership skills developed in FY21 through coaching cohorts;
- Development and kick-off of a bespoke Leading Hybrid teams leadership program in response to new ways of working;
- Wellbeing and mental health skills development with workshops on various topics including The Accidental Counsellor for leaders and Building Resilience for employees;
- Strengthening of online training courses to improve user engagement and knowledge acquisition, with over 140 courses now on offer including product, compliance and leadership skills training; and
- Delivery of quarterly 'Good to Know' workshops on various topics.

Our FY23 learning and development training focus will be centred around our 3P framework - People, Processes and Products with the following Six Pillars of Priority.

GWA LEARNING AND DEVELOPMENT PILLARS OF PRIORITY



Section 4:

OUR ENVIRONMENT

CLIMATE RISKS AND OPPORTUNITIES

GWA acknowledges climate-related risks and opportunities within its business operations. The manufacture of bathroom and kitchen products consume resources and energy and therefore GWA is indirectly exposed to carbon emission regulations which may impact input pricing in the manufacturing process.

Another effect of climate change relates to scarcity of water. The World Economic Forum (WEF) 2020 Global Risk Report classified water scarcity as one of the five highest risks in terms of impact. This represents an opportunity for GWA regarding the development of water-saving products and technology.

GWA acknowledges that the supply, heating and treatment of water is carbon intensive and can have significant impacts on the environment. It is our belief that every effort should be taken to reduce water usage through water efficient fixtures, design and through Internet of Things (IOT) water management systems.

GWA is a low emitter of greenhouse gas emissions, however, we appreciate the ongoing need to reduce our greenhouse gas emissions and encourage our manufacturing supply chain partners to do the same. We are committed to further improving our disclosures in reference to the key recommendations of the TCFD.

We are also committed to further understanding the greenhouse gas emissions impact of water supply and heating, and working with relevant partners to articulate the greenhouse gas benefit of lower water utilisation.

The TCFD framework for disclosure of climate change risks and opportunities includes two main categories of climate-related risks including:

- risks related to transition; and
- risks related to physical impacts.

We continue to assess transition risks including policy and legal risks, technological risks and market or reputational risks which may be applicable to our business. The physical risks emanating from climate change include risks to our assets and interruption of our business from increased activity in weather-related perils such as cyclones, earthquakes, floods and bushfires.

We assess these risks as part of our internal due diligence procedures when establishing new company sites and engaging new suppliers to ensure risks are properly assessed and managed. In addition, our property and business interruption insurers assess these risks as part of their annual review of our controlled locations and those of our key suppliers.

We conduct periodic detailed site risk assessments and reviews of risk mitigations and contingency plans as part of our internal audit program and utilising the expertise of external advisers as required.

GWA ensures that perils are adequately insured with reputable insurers, robust limits and breadth of cover based on advice from our insurance broker.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals address global challenges including those related to poverty, inequality, climate, environmental degradation, prosperity, peace and justice.

GWA continues to reference the UN 2030 Agenda for Sustainable Development and Sustainable Development Goals. While in a broad sense, each of the 17 goals are important to our business, GWA references three goals specifically:



GOAL 1: ENSURE ACCESS TO CLEAN WATER AND SANITATION FOR ALL

GWA maintains a strong pedigree and history in developing innovative solutions for water with Caroma developing the world's first dual flush toilet in 1980 with the introduction of full flush/half flush water saving technology. This is reflected in our continued innovative approach in new product development and commercialisation in delivering water saving solutions for our customers.

We contribute to environmental sustainability through the development of products and systems which deliver water-efficient and water-saving solutions in the built environment. This is relevant for both residential and commercial premises. For example, Caroma's Dual and Smart flush technologies continue to save on average 32,000 litres per year for each toilet in which they are used – the equivalent of one Sydney harbour saved each and every year.

In the past two years, Caroma Smart Command® has been able to save an equivalent to 3.5 Olympic swimming pools (estimated 8,623kL of water) through its IOT fixture management solution. With more projects in the pipeline and as people return to offices, this number is expected to significantly increase in 2023 and beyond.

CASE STUDY

CAROMA SMART COMMAND® SAVING WATER AT MARKET LANE OFFICE BUILDING SOUTH MELBOURNE, VIC

Caroma Smart Command® is an ecosystem of intelligent products that enable building managers to monitor and control water use in near real-time and make smarter decisions that reduce maintenance costs, while improving hygiene and up-time.

An innovative range of intelligent tapware, showers, urinals and toilets have been developed to seamlessly integrate with Caroma's Smart Command® technology.

These intuitive products incorporate the latest in touch-free technology for optimal hygiene for a more efficient bathroom design which reduces cleaning and maintenance.

Caroma Smart Command® enabled bathrooms allow building managers to precisely track every detail and collect data in real time, starting from water usage per appliance, to the number of activations. This data can be accessed locally from a mobile app or integrated to an existing Building Management System (BMS) or cloud platforms.

At one facility, Market Lane office building in South Melbourne, VIC, there are a total of 145 Caroma Smart Command® fixtures installed across the building. The installation of these fixtures was able to demonstrate a 37kL bathroom water saving annually.

23kL of the saving was attributed to behavioural savings, only identifiable through Caroma Smart Command cloud insights. The remaining 14kL of savings were achieved through direct fixture savings of smart taps and showers. (Savings were impacted by less than 30% building occupancy due to COVID-19 and lockdown impacts.)

The building is projected to save 487kL of water in 2023. With this saving, Caroma Smart Command could contribute to 67% of a NABERS half star improvement and a reduction of 433kg in carbon impact.

Installation of Caroma Smart Command® also creates a benefit of improved user experience. As a result of near real-time data, Caroma Smart Command® ensures bathrooms operate to their maximum potential. The building's occupants can enjoy a touchless experience that provides a new level of cleanliness and hygiene.

This resulted in a Hygiene Index of 1.6. This score is the combination of hand washing duration and the relationship between sanitaryware and tapware activations. A score of 1.0 is considered 'good'. It also resulted in a 7% improvement in hand washing duration by deploying behavioural change suggestions within the bathrooms.

As of 30 June 2022, Caroma Smart Command® has been installed in 190 sites across Australia and New Zealand, with a solid bank of additional projects in the pipeline for FY23. Caroma Smart Command Cloud now delivers over 3.8 million data points every day.



CASE STUDY

GWA DELIVERING HIGH WELS-RATED SANITARYWARE AND TAPWARE

Design and construction professionals play a critical role in Australia's future by implementing sustainable water management in building design. Showers, taps and toilets are the biggest consumers of water in the average Australian home.

The Water Efficiency Labelling Standards (WELS) is a mandatory, national and federal government-run water efficiency labelling scheme. WELS requires the registration and labelling of showers, taps, toilets, urinals, clothes washers, dishwashers and flow controllers. This scheme aims to encourage wise water usage by informing customers about the water efficiency of a product at the point of sale. WELS provides transparent water efficiency information and star ratings for regulated products.

An inefficient showerhead can use approximately 15-25 litres of water per minute. For a standard four-person household, replacing a showerhead that flows at 15 litres per minute with a WELS 3 Star showerhead at 9 litres per minute, saves approximately 70kL each year. In the same scenario, a WELS 4 Star shower at 6 litres per minute will save approximately 105kL each year.

Flow rates for taps are included on water rating labels – a high WELS Star rating equates to less water consumption. The best-performing water efficient taps have a WELS 6 Star rating, with a flow rate of 4 litres per minute or less.

GWA continues to focus on upgrading its sanitaryware and tapware products to higher WELS ratings to target greater water efficiency and enable residential and households to use less water.

Over 87% of Caroma taps are 5 or 6 Star WELS rated while 95% of Caroma sanitaryware products are 4 Star WELS rated.



GOAL 2: BUILD RESILIENT INFRASTRUCTURE, PROMOTE SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

GWA is committed to designing and developing new products and systems in Australia and New Zealand for our customers with quality and performance that exceed stringent local standards and contribute to water efficiency in the built environment.

GWA has two centres of excellence; our Caroma Innovation and Distribution centre at Prestons, NSW which includes a state of the art 2,000 square metre innovation centre and our GWA experience and distribution centre at Avondale, New Zealand. Both facilities are purpose-built research and development sites which are committed to innovation and design excellence. They specialise in water efficient products and systems that enhance the bathroom, kitchen and laundry environments. GWA's design and innovation centres are at the forefront of global innovation, designing everything from reduced flushing systems and patented shower technologies to leading edge IoT water management systems.

In 2022, GWA joined the Green Building Council of Australia (GBCA). The GBCA is the nation's authority on sustainable buildings and communities.

The Council rates the sustainability of buildings, fit-outs and communities through Australia's largest national, voluntary, holistic rating system – Green Star. They educate industry, government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations. They advocate policies and programs that support our vision and purpose. GWA has actively been participating in forums and industry discussions.





GOAL 3: MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

GWA's rich heritage in designing and delivering water saving and water efficient products and systems continue to assist cities and communities achieve sustainability goals, particularly in the area of water efficiency.

ENVIRONMENTAL IMPACT

GWA continues to implement an active program to minimise our impact on the environment. Across our business, we remain committed to complying with Government environmental regulations, identifying and addressing environmental risks and managing the use of our resources in a responsible and sustainable manner.

The three main components of environmental assessment include:

- water consumption;
- waste production;
- production of greenhouse gas emissions.

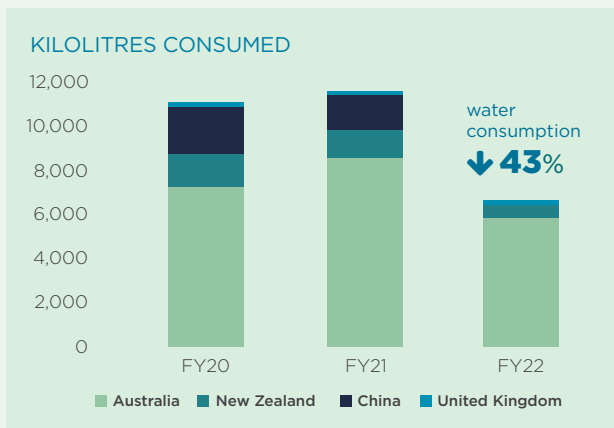
The environmental impact outcomes for FY22 were a function of GWA's continued focus and efforts across our facilities to reduce consumption, aided by the distribution network consolidation undertaken in the prior year. In addition, COVID-19 resulted in various site operating restrictions and short-term facility shutdowns due to lockdown requirements.

1. WATER CONSUMPTION

As a pioneer in the development of water saving products and systems in the built environment, GWA recognises the importance of using water efficiently across our own business.

We have specific environmental performance measures for water consumption across our business and maintain plans for continuous improvement on water use.

GWA's controlled facilities consumed approximately 6,651kL of potable water during the year ended 30 June 2022 (FY21: 11,579 kilolitres). This represents a 43% reduction in water consumption at GWA's controlled facilities on the prior year.



CASE STUDY

CAROMA SMART COMMAND® ECO-VALVE

The Caroma Smart Command® Eco-Valve remotely prevents, stops and isolates leaks before they cause harm to a commercial building. The Eco-Valve will isolate the flow of water when it detects one or more of the following configurable conditions:

- Exceeds continuous water volume - where a pre-configured volume of water is exceeded e.g. a tap not turning off.
- Exceeds maximum flow rate - where the valve identifies a sudden excess of water flow e.g. burst pipe.
- Exceeds continuous flow time - where there is constant water flowing through the valve for an extended period e.g. toilet outlet valve running on.
- Self-learning micro leakage - monitors pipeline static pressure reduction over time to learn usual patterns and identify outliers.

CASE STUDY

CONSISTENT WATER SAVINGS AT THE GLASS HOUSE, MACQUARIE PARK, NSW

From the period of April 2022 to November 2022 the Caroma Smart Command Eco Valve has prevented four major leak events across two floors of the Glass House office building in Sydney's Macquarie Park.

This resulted in 455kL in estimated water savings for the building.

CASE STUDY

WATER SAVINGS CALCULATOR

In FY22 GWA launched the Water Savings Calculator for our commercial customers. (<https://smartcommand.com.au/water-savings-calculator/>)

The Water Savings Calculator enables customers to input their building specifications and calculate the water savings from smart fixtures. The output calculates direct and indirect water savings from fixtures through insights & intervention. This also enables the customer to understand the energy, carbon and cost impacts of this water saving and how this translates to corresponding building sustainability ratings.

The tool is useful for customers to understand the projected water saving impacts of their specification and helps them articulate the broader benefits from saving water.

The main drivers for this result are the exit from in-house manufacturing in China in FY21, the disestablishment of foundry, PVD, and some assembly operations in our NZ manufacturing site, and less water use in our Prestons test rigs. We acknowledge that a portion of FY22 water savings is attributed to COVID-19 lockdowns, which limited onsite activities and water consumption.

GWA continues to implement water saving measures across our operations to reduce usage. The following are examples of key initiatives:

- Rainwater is used in GWA's Experience and Distribution Centre at Avondale, NZ. The water is then recycled through a treatment plant which in FY22 generated 732 thousand litres of recycled water. The site has generated 13.6 million litres of recycled water since the installation of the treatment plant in 2016;
- Rainwater tanks are installed at GWA's Distribution Centres at Pinkenba, QLD and Welshpool, WA for the gardens and fire systems;
- GWA's Australian sites have installed the Caroma Smart Command® intelligent and touch-free water management solution enabling the monitoring and control of water use, and improved hygiene at the sites;
- The Caroma Innovation and Distribution Centre at Prestons, NSW has installed five 10,000 litre and one 25,000 litre rainwater tanks. Recycled water is used for irrigation and toilet flushing. The site has been awarded a 5 Star Green Star Rating which represents excellence in sustainable design and construction; and
- GWA's flagship store at Alexandria, NSW has water storage tanks incorporated into the showroom which are filled from rainwater then used to water onsite vegetation and run the functioning product displays. GWA's flagship store at Norwood, SA uses recycled water for the functioning toilet displays.

CASE STUDY RAINWATER HARVESTING AND RECYCLING

At GWA's Experience and Distribution Centre at Avondale, NZ rainwater is harvested from the facility roof, passed through a five-stage filter and UV sterilisation process and stored in temperature controlled and chlorinated tanks.

From here, the water is used in our recycled water system for product testing in the R&D laboratory and in the facility bathrooms. Clean, used water from the R&D laboratory is recycled back through the filtration system to be reused.

2. WASTE PRODUCTION

GWA has specific environmental performance measures for waste reduction and resource use in the business.

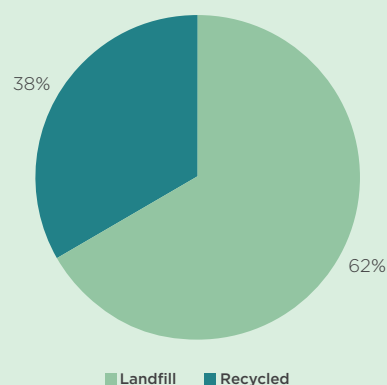
GWA's controlled facilities produced approximately 510 tonnes of solid waste (comprising general waste, cardboard, low-density polyethylene and wood) for the year ended 30 June 2022 (FY21: 523 tonnes). Approximately 317 tonnes went to landfill and approximately 193 tonnes was diverted from landfill and recycled in FY22.

GWA remains a member of the Australian Packaging Covenant Organisation (APCO) which sets out how Governments and businesses share the responsibility for managing the environmental impacts of packaging. As a signatory to the APCO, we are committed to the recyclability of our packaging and reducing the impacts of packaging within our supply chain. GWA is also a signatory to the world-renowned Australian Recycling Label, created by APCO and Planet Ark.

GWA continues to implement waste reduction initiatives across our operations to reduce waste. The following are examples of key waste reduction initiatives:

- Recycling is encouraged in GWA offices and showrooms where we have separate waste bins for general waste and recycling. GWA distribution centres have separate bins for the recycling of cardboard, plastics and wood and is managed by our national waste provider;
- GWA is exploring the possibility of partnership with independent research groups to recycle our products at the end of its life cycle;
- GWA monitors obsolete stock disposals and where possible, donates to charity or recycles the products to minimise the volume which is sent to landfill; and
- GWA has implemented programs to reduce the volume of cardboard by reviewing pack sizes, reducing board grade thickness and downsizing where appropriate.

GWA WASTE PRODUCTION FY22



GWA HEADING TOWARDS THE ELIMINATION OF SINGLE USE PLASTICS IN PACKAGING

GWA has established Sustainable Packaging Guidelines. These guidelines align to the APCO goals towards the elimination of single use plastics by 2025.

In FY22, all new product development launched to market complied with these guidelines, which require:

- Curb side recycling
- Reusable contents
- The use of organic inks.

In FY22 GWA launched the Opal tapware and Urbane sensor tapware products which with fully recyclable and reusable packaging.

CASE STUDY METHVEN BRAND RE-PACKAGING

Methven continues its Partner Membership with the Australian Packaging Covenant Organisation (APCO) which guides the recyclability of our packaging options.

Methven has also adopted the Australian Packaging Recycling Label (ARL) principles throughout its new product ranges across Australia and New Zealand. Methven has implemented programs to reduce the volume of cardboard use by reviewing pack sizes, reducing board grade thickness and downsizing where appropriate, simplifying inserts and transitioning from full colour boxes to brown board with stickers. Methven has also reduced a significant amount of polyfoam used in packaging a number of its core product ranges.

CASE STUDY CLOSED-LOOP PALLET SYSTEM

Using the principles of Recover, Reuse, Reduce and Recycle we implemented a closed-loop pallet system in FY22 to reduce our consumption of new wooden pallets, reducing our need for virgin wood and any contribution to deforestation.

Due to the global supply chain challenges and timber shortages experienced amongst many supply chains in FY22, the full benefit of this initiative is yet to be realised. GWA is committed to this program and will continue to strive to gain momentum in this space to progress our circular economy agenda within our operations.

3. CARBON EMISSIONS

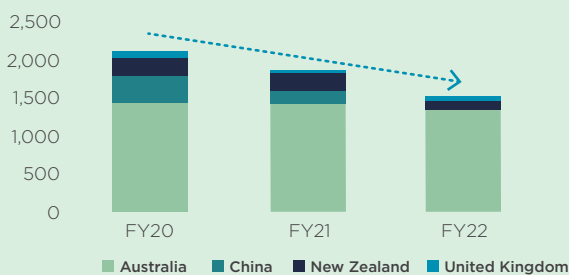
GWA is a low emissions intensity entity as our business activities are less carbon intensive than other sectors. We continue to voluntarily report our carbon emissions and energy use with the reports available on GWA's website at www.gwagroup.com.au under Carbon Reporting.

For the period ended 30 June 2022, total carbon emissions from GWA's controlled facilities were approximately 1,515 tonnes of carbon dioxide equivalent (CO₂e) (FY21: 1,869 tonnes CO₂e). Carbon emissions at GWA's controlled facilities reduced by 19% on the prior year mostly due to the exit of in-house manufacturing in China in FY21.

GWA continues to actively identify energy efficiency and greenhouse gas reduction opportunities throughout our business operations. The following are examples of key initiatives:

- The 250kW solar panel system installed at our Distribution Centre at Prestons, NSW generated 323,951kWh of solar power. The 100kW solar panel system installed at our Pinkenba Distribution Centre, QLD generated 75,814 kWh of solar power. Collectively these units have saved approximately 340 tonnes in CO₂ emissions, equivalent to carbon sequestered by 37,000 tree seedlings grown for 10 years.
- In Australia GWA has 50 motor vehicles in its Tool of Trade fleet, 16 of which are hybrid vehicles. As existing leases expire, GWA is committed to transitioning all vehicles to alternative fuel models.
- GWA's Australian forklift fleet have been transitioned from gas powered to electric charged units.

CO₂E (TONNES) PRODUCED



CASE STUDY GREENPOWER AT ALEXANDRIA AND NORWOOD

GWA will procure green energy where practicable. In the last quarter of FY22 GWA procured two 100% GreenPower energy contracts for our flagship showrooms located in Alexandria, NSW and Norwood, SA.

These sites make up 2,500 square meters (or 51%) of our non-industrial property portfolio in Australia. The full benefit of this renewable energy source should be captured in our FY23 emissions reduction.



CASE STUDY HYBRID VEHICLES

In 2019 a company-wide Procurement review of tool of trade vehicles resulted in the introduction of hybrid vehicles to the Australia fleet. Working with our incumbent Fleet manager, the default option for new or replacement tool of trade vehicles is the Hybrid Toyota Rav 4.

Across a total fleet of 50 vehicles, one third are hybrid. Exceptionally long lead times with our preferred vehicle in FY22 has led to us sourcing an alternative model to fulfill this business requirement with hybrid as a mandatory criterion. Once vehicle selection process is complete, we aim to transition all GWA fleet out of combustion fuel vehicles as leases expire.

ETHICAL AND SUSTAINABLE SOURCING

GWA's supply chain ambition is to create a responsive, connected and streamlined supply chain that enables our business to anticipate and adapt to dynamic market forces.

In addition, we will increase customer and consumer loyalty by consistently delivering and exceeding their expectations, being reliable and easy to work with and ultimately living up to our core values every time we do business.

MANUFACTURING SUPPLY PARTNERS

GWA's products are manufactured under long-term exclusive contracts and agreements with a range of offshore supply partners worldwide. These supply partners are located in:

- China
- Malaysia
- Vietnam
- Thailand
- Italy
- Sweden
- Germany

GWA has 30 key manufacturing supply partners across Asia and Europe and a light manufacturing operation in New Zealand. Additionally, GWA has 16 local supply, technical and quality staff based with various suppliers in China. This is an increase of two persons on FY21 in response to travel restrictions and our continued commitment to operate and deliver high-quality products and sourcing standards.

ETHICAL SOURCING

GWA is committed to conducting its business in an environmental and socially responsible manner.

That commitment is reflected across our business operations and it also extends to the expectations we maintain of our manufacturing supply partners to operate to the same exacting standards.

At a minimum, GWA expects all suppliers to be in strict compliance with the United Nations Ethical Trading Initiatives (ETI) and International Labour Organisation Conventions (ILO).

Further, we expect our manufacturing supply partners to comply with all laws and regulatory requirements regarding health, safety and welfare at each respective facility to ensure the health, safety and welfare of all workers, customers and any visitors to the facility.

Supply partners must also comply with all applicable laws, rules, regulations, standards and codes which relate to the manufacture, packaging, facilities, storage and delivery of products and the operation of the facility.

To underpin this commitment, GWA maintains a Supplier Due Diligence Policy which details our expectations to which all supply partners (including sub-contractors engaged by supply partners), must adhere.

This Policy specifies how GWA maintains the appropriate level of due diligence while monitoring ongoing supplier relationships and ensuring standardisation of approach across GWA.

GWA regularly conducts factory visits to supply partners by senior management to verify compliance with local laws and safety conditions as well as GWA's Supplier Due Diligence Policy. Whilst COVID-19 related travel restrictions have reduced the supply partner factory visits, we have maintained regular engagement and oversight through our local teams during this period to ensure potential risks are managed promptly and appropriately.

We work constructively with our overseas suppliers to assist them in adopting workplace safety standards similar to those of Australia.

All inventory supply partners must undergo a Supplier Site Visit Assessment (SSV) prior to entering into purchasing arrangements with GWA. The SSV provides a detailed assessment of the supplier's facilities and the manner in which they are operated, including safety, environmental and human resource related factors.



These requirements include, but are not limited to, acceptable labour rights, appropriate working conditions, exclusion of child labour, liveable wages and working hours, avoidance of discrimination, humane treatment of employees and environmental sustainability. The supply partner must also demonstrate it can confirm compliance with national and regional laws and regulations.

In addition to our existing third party audits, GWA recently strengthened our investment in ethical sourcing by completing the process to become a member of Sedex (and as at date of publication GWA has achieved membership). Sedex is one of the world's leading ethical trade membership organisation, working with businesses to improve working conditions in global supply chains. Sedex will assist and complement our existing measures by identifying and addressing ethical sourcing risks, as well as ensuring we continue to operate as a responsible and transparent supply chain within the global community.

GWA maintains a Supplier Corporate Social Responsibility Checklist to which supply partners are held accountable for compliance. This checklist incorporates the following key areas:

BRIBERY & CORRUPTION

- Suppliers must not engage in any acts of bribery and corruption in any form including falsifying documents and records.

LABOUR RIGHTS

- There is no forced bonded or involuntary prison labour;
- Workers are not required to lodge deposits or their identity papers with their employer and are free to leave their employment after reasonable notice;
- Employment is freely chosen;
- Freedom of association and the right to collective bargaining are respected;
- Workers without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively;
- The employer adopts an open attitude towards the activities of trade unions and their organisational activities;
- Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace;
- Where the right of freedom of association and collective bargaining is restricted under the law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

WORKING CONDITIONS

- A safe and hygienic working environment will be provided, bearing in mind the prevailing knowledge of the industry and any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health in the working environment;
- Workers will receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers;
- Access to clean toilet facilities and to clean drinking water and, if appropriate, sanitary facilities for food storage shall be provided;
- Accommodation, where provided shall be clean, safe and meet the basic needs of the workers;
- Suppliers will ensure that all personal protective equipment (PPE) is available and workers are trained in the use of PPE where required. Safeguards on machinery must meet or exceed local laws;
- Suppliers will assign responsibility for health and safety to a senior management representative.

CHILD LABOUR

- Suppliers will prohibit the use of child labour.

LIVING WAGES

- Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should meet the basic needs and to provide some discretionary income;
- All workers are to be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid;
- Deductions of wages as a disciplinary measure or any deductions from wages not provided for by law shall not occur without the express permission of the worker concerned. All disciplinary measures should be recorded.

WORKING HOURS

- Working hours comply with the national laws and benchmark industry standard, whichever affords greater protection;
- In any event, workers will not on a regular basis be required to work in excess of 48 hours per week and will be provided with at least one day off for every seven day period on average. Overtime will be voluntary, will not exceed 12 hours per week and in addition, will not be demanded on a regular basis and will always be compensated at a premium rate.

DISCRIMINATION

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation;
- There is no harsh or inhumane treatment;
- There is no physical abuse or discipline. The threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

ENVIRONMENTAL COMPLIANCE

- The facility will comply and dispose of its waste in accordance with national and local environmental laws and regulations;
- The facility must have identified and documented its key environmental impacts and implemented controls to minimise its impact on the environment with respect to solid waste disposal, hazardous chemicals storage and management, air and water emissions.

AUDITING OUR SUPPLIERS

GWA has instituted modern slavery and ethical sourcing audit programs. Third party specialist audits are conducted through site visits, document reviews and interviews with representatives from the suppliers. Suppliers are required to remediate any issues identified within an appropriate period, depending on the nature and severity of the non-compliance.

During FY22, through a specialist independent auditor, PWC, as part of GWA's internal audit program, GWA conducted audits on two major supply partners. The two suppliers were selected given their importance to GWA, representing 8% of GWA's outsourced product spend. Coupled with our FY20 and FY21 audits, this represents 49% of our product spend over a rolling three-year period.

No significant ethical sourcing issues were identified as a result of these audits. A labour right discrepancy and some health and safety matters were identified during the audits, all of which have been satisfactorily rectified.

A methodology was established during FY21 to capture the critical information related to GWA's supply chain network to assist with developing a risk based rolling supplier site visit schedule for future years. This analysis is used as the basis for the annual cycle for supplier audits after taking into consideration all available information.

MODERN SLAVERY REPORTING

GWA acts ethically and with integrity in all its business dealings and relationships including the implementation and enforcement of effective systems and controls to ensure modern slavery does not take place in its own business or in its supply chain. GWA has a zero-tolerance for modern slavery.

In December 2021, the Company lodged its second Modern Slavery Statement under section 14 of the *Modern Slavery Act 2018* (Cth) for the financial year ended 30 June 2021 with the Australian Border Force.

GWA's Modern Slavery Statements can be found on GWA's website at www.gwagroup.com.au under modern slavery reporting.

The statement details the operations of GWA and its subsidiaries and outlines the potential risks to modern slavery that may exist within the business and supply chain. The statement also details the specific mitigations GWA has implemented across the business to address the identified risks and how their effectiveness is being measured.

MODERN SLAVERY ACTIONS

During FY22, the following modern slavery risk mitigation actions were undertaken:

- Further communication and in person training of staff and key suppliers on company policies and procedures relating to modern slavery and ethical sourcing including GWA's group-wide policy against slavery and trafficking;
- Monitoring and oversight by GWA's Ethical Standards Officer who is responsible for the implementation and monitoring of the policy and ensuring internal control systems are effective in countering modern slavery risks;
- New employee completion of GWA's online modern slavery training module to assist with modern slavery compliance, risk identification and reporting;
- The reinforcement of GWA's Cultural Pillars to all staff which outline our company values and standards of behaviour expected in the business and how we conduct business activities;
- Ongoing communication of GWA's Whistleblowing Policy which provides an avenue for staff to raise concerns of unethical conduct including human rights issues;
- Continuing to build the long-term relationships with key supply partners to enhance transparency and trust in their business operations;
- Continuing to update Manufacturing and Supply Agreements with key supply partners, on renewal, with specific clauses to prohibit modern slavery;
- Auditing of key supply partners as part of the modern slavery and ethical sourcing audit program. A further two audits by PWC were conducted in FY22;
- Development of a risk based rolling supplier site visit schedule as part of the annual cycle for supplier audits;
- Implementation of a modern slavery assessment tool for non-inventory partners;
- Commenced assessment of potentially high risk non-inventory partners identified during the FY22 reporting period. These included two of GWA's major transport providers in Australia and two of our major labour hire agencies for Australia.

Section 6: COMMUNITY

GWA's policy is to act responsibly, ensuring that our people deal appropriately with the communities in which we operate, and to encourage and gain their support.

In FY22 GWA continued its partnership and support of community charities focussed on sustainable outcomes.

THE SMITH FAMILY (AUSTRALIA)



The partnership with The Smith Family has been in place since 2014 with donations to date of more than \$322,000.

Each year GWA donates approx. \$50,000 towards sponsoring disadvantaged students in drought affected regional and remote areas. Financial support is directed towards improving the educational outcomes of 57 school-based students and three tertiary students studying Environmental Sciences, Design and Business. The focus of their respective studies are aligned to GWA's strategic priority in relation to environment and sustainability.

This year, GWA donated an extra \$20,000 towards The Smith Family's Flood Appeal. This appeal helped students who were impacted by the floods in NSW and QLD with an additional Education Support Payment. The payment went towards helping families repurchase uniforms, books, and other education essentials that may have been lost or damaged in the floods.

SUSTAINABLE COASTLINES (NZ)



GWA is a silver sponsor of Sustainable Coastlines donating \$12,000 in FY22. Sustainable Coastlines is focussed on enabling the community to look after coastlines and waterways. They co-ordinate and support large-scale coastal clean-up events, education programs, public awareness campaigns and riparian planting projects.

In 2022 GWA will be hosting its first annual beach clean-up in partnership with Sustainable Coastlines, Water Care, and the Eco Store.

WIGAN AND LEIGH HOSPICE, AND FARESHARE (UK)

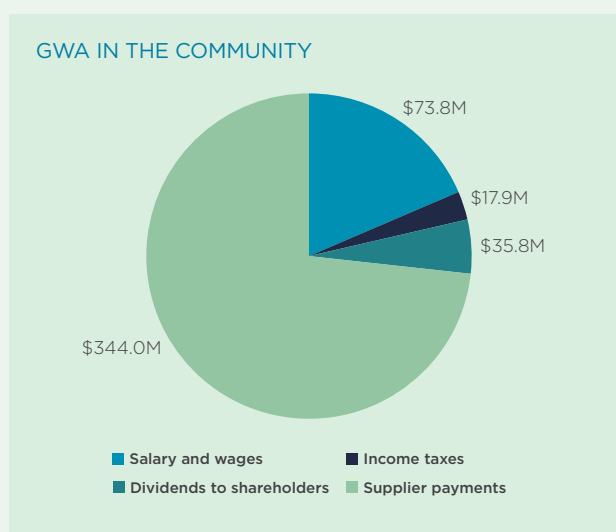


GWA has held fund-raising events throughout the year for two chosen charities. We support FareShare who help fight hunger through the redistribution of surplus food to charities who feed those in need, and Wigan and Leigh Hospice (W&LH), a registered charity serving people across Wigan borough who have been diagnosed with a terminal illness. Over the past few years, we have sent W&LH a donation in lieu of corporate Christmas cards.



GWA IN THE COMMUNITY

In FY22, GWA spent approximately \$73.8 million on salary/wages and benefits to our employees; \$17.9 million was remitted in income taxes; \$35.8 million was returned to GWA shareholders in the form of dividends; and \$344.0 million was paid to our suppliers. This is outlined in the following chart.



TAX TRANSPARENCY

GWA's corporate governance framework, of which taxation is an important element, is critical in maintaining high standards of corporate responsibility and fostering a culture that values ethical behaviour, integrity and respect.

These principles are reflected in GWA's Corporate Governance Statement and guide GWA's approach to its tax compliance, reporting and payment obligations. GWA's Board Tax Corporate Governance Policy requires GWA to pursue a tax strategy that is transparent and sustainable in the long term.

In conducting its activities, GWA:

- Does not shift and/or accumulate profits in low or zero-tax jurisdictions;
- Does not use the secrecy rules of jurisdictions to hide assets or income;
- Pays tax where the underlying economic activity occurs;
- Manages tax affairs in a pro-active manner that seeks to maximise shareholder value, while operating in accordance with the law.

GWA is a signatory to the Board of Taxation's Voluntary Tax Transparency Code (Code). The Code is designed to encourage greater transparency within the corporate sector and enhance the community's understanding of the corporate sector's compliance with Australian tax laws.

GWA's Tax Transparency Reports follow the recommendations outlined in the Code and are available on our website at www.gwagroup.com.au under Tax Transparency.

In FY21, over 95% of GWA's corporate income tax was paid in Australia, consistent with more than 95% of GWA's profit before tax being recognised in Australia. The below table summarises Federal and State taxes GWA has paid pertaining to the year ended 30 June 2021 in Australia.

Title	30 June 2021 \$'000
Corporate income tax	15,948
Net GST	25,225
Payroll taxes (including FBT)	2,621
Employee pay as you go ('PAYG') ¹	12,726
Total	56,520

PAYMENTS TO SMALL SUPPLIERS

A number of GWA's suppliers in Australia are small businesses. GWA supports the initiatives made by the Australian Government to improve payment times from large Australian entities to small businesses, including the introduction of the Payment Times Reporting Scheme (PTRS) to increase transparency.

During FY21 GWA updated its payments policy to prescribe a standard payment term of 30 days from invoice date for Australian small businesses. GWA has recently submitted its second data report to the Australian Government Treasury for the period 1 July 2021 to 31 December 2021 which is published on their website. Caroma Industries Limited, GWA's largest reporting entity for the PTRS paid 93% of its small business invoices within 30 days for the reporting period, up from 66% for the period 1 January 2021 to 30 June 2021.

¹ PAYG is withheld and paid to tax authorities on behalf of GWA's employees.

Section 7: GOVERNANCE AND RISK MANAGEMENT

GWA recognises that effective governance and risk management processes help ensure the business is more likely to achieve its business objectives, while protecting and promoting the interests of GWA's stakeholders.

GWA has comprehensive risk management policies and practices across the company, for both financial and non-financial risks. The Board conducts quarterly reviews of the risk management framework to ensure that it continues to be sound.

GWA's risk management processes include defining the risk oversight responsibilities of the Board and the responsibilities of management in ensuring risks are identified and effectively managed. Whilst ultimate responsibility for risk management rests with the Board, the Board has established the Audit and Risk Committee to oversee GWA's risk management framework and bring dedicated focus on risk oversight, risk management and GWA's internal controls. The Audit and Risk Committee reports to the Board on risk management and internal control matters in accordance with its main responsibilities as outlined in the Audit and Risk Committee Charter.

In addition, GWA has an internal audit function that provides reports to the Audit and Risk Committee. The internal audit function brings a systematic, disciplined approach to evaluating and continually improving the effectiveness of GWA's risk management and internal control processes.

Further details on GWA's corporate governance and risk management processes can be found in our Corporate Governance Statement on GWA's website at www.gwagroup.com.au.



RISK MATERIALITY TABLE

GWA's keys risks to its future prospects, and measures to mitigate these risks, where possible, are outlined in the following table:

Risk	Monitoring and Mitigation
A significant deterioration in building activity impacting sales growth and margins.	<p>GWA monitors building activity and this is factored into the company's monthly reporting, forecasting, annual budget and planning processes.</p> <p>Approximately 61% of GWA's revenue is generated from the Renovation and Replacements segment in Australia which is the largest and most stable segment of the overall market.</p> <p>GWA's forward order book for commercial projects remains solid and is growing with several major projects secured.</p> <p>In addition, GWA's corporate strategy incorporates opportunities for GWA to expand beyond current segments, categories and markets.</p>
A significant movement in the Australian dollar impacting the price of imported products leading to changes in market pricing to maintain profitability.	<p>GWA monitors foreign exchange rates closely and adopts appropriate mitigation strategies. Approximately 52% of US dollar exposure is hedged at US\$0.73 for FY23.</p> <p>GWA's contracts with major customers include provisions for pricing changes based on significant movements in the Australian dollar.</p>
Unforeseen disruptions impacting product supply from offshore suppliers leading to reputational damage, lower sales and loss of market share.	<p>GWA has exclusive long-term supply partnerships with experienced offshore suppliers.</p> <p>GWA's supply chain processes include dual-sourcing strategies and access to safety stock to mitigate the risk of supplier disruption.</p> <p>GWA has its own employees located in Asia working directly with its supply partners and is actively diversifying its regional supply base.</p> <p>The global supply chain landscape continues to evolve rapidly because of COVID-19 related events, which has been exacerbated by changing market conditions, escalating trade tensions, armed conflict and extreme weather events. GWA's business continuity plans are being updated frequently to deal with these issues.</p>
Security risks around external threats to the digital network, IT systems and data could potentially result in adverse operational, financial and reputational impacts through possible system failures and security/cyber breaches.	<p>GWA has established a formal IT security risk and governance framework to mitigate the risks being faced by GWA.</p> <p>In FY22, GWA implemented a new Enterprise Resource Planning and Customer Relationship Management systems across its operations in Australia and New Zealand, with enhanced security and protection technologies.</p> <p>In addition, GWA carries out disaster recovery and business continuity planning each year to test the effectiveness of its ability to respond to security and cyber risks.</p> <p>GWA has a cyber program that continually monitors the effectiveness of GWA's mitigation measures against evolving cyber threats.</p>
Workplace health and safety risks could potentially result in physical injury to employees, contractors or others, or damage to the Company's reputation.	<p>Aligned with its Cultural Pillar of 'We care for each other', GWA remains committed to continuous improvement in workplace health and safety performance.</p> <p>GWA has implemented comprehensive safety systems and processes, communications with and training of employees, and increased diligence in identifying and removing safety risks. GWA has also increased its focus on the management of mental health issues, given the impact of COVID-19 and the significant workplace changes which occurred because of the pandemic.</p> <p>All GWA managed sites are certified to ISO45001:2018 (occupational health and safety management system).</p>
Major global event (e.g., war, pandemic) impacting GWA's ability to operate, including workforce, supply chain and customer service disruptions.	<p>GWA has comprehensive crisis management and business continuity plans in place for dealing with major global and domestic events. These were activated to address recent global events such as the COVID-19 pandemic and conflict in Ukraine.</p> <p>The plans guide GWA's response to events outside of the control of GWA and are continually reviewed to ensure they remain effective.</p>
Adverse impact of environmental or social risks on the GWA business.	<p>GWA's approach to ESG is one of the foundations of the 2025 corporate strategy. GWA has established an ESG Steering Committee to oversee the progress and execution of GWA's ESG program.</p> <p>The physical risks of climate change on the GWA business are regularly assessed with risk mitigation and contingency plans in place. Notwithstanding that GWA is a low emissions intensity entity, as its business activities are less carbon intensive than other sectors, GWA's ESG program is designed to meet the long-term sustainability credentials that are expected by stakeholders.</p> <p>In December 2021, GWA's latest Modern Slavery Statement was lodged with the Australian Border Force. GWA has undertaken an analysis of its operations and supply chains to identify potential risks of modern slavery and believes the overall risk level to be low given the scope and location of GWA's operations, the maturity of its supply partner relationships and the diligence applied by GWA to identify and manage risks in the business.</p> <p>Refer to Sections 4 and 5 of this report for further information.</p>



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