

Adoption date: 1 July 2020

1. INTRODUCTION

1.1 ASX Recommendations

Recommendation 3.3 requires a listed entity to have and disclose a whistleblower policy and ensure that the Board or a committee of the Board is informed any material incidents reported under that policy.

1.2 Purpose of policy

- (a) Waterco is committed to promoting and supporting a culture of honest and ethical behaviour in which Disclosers are able to raise concerns regarding any misconduct or dishonest and improper states of affairs without being a subject to victimization, harassment or discriminatory treatment.
- (b) The Board recognises that any genuine commitment to detecting and preventing illegal, unethical, unlawful and undesirable conduct must include a mechanism whereby Personnel and others associated with Waterco can report their concerns without fear of reprisal or intimidation. Unethical, unlawful, illegal and fraudulent or undesirable conduct is referred to in this Policy as Reportable Misconduct.
- (c) The purpose of this Policy is to:
 - (i) Encourage Disclosers to report an issue if they genuinely believe someone has breached Waterco's Code of Conduct, Statement of Values, Anti-Bribery and Corruption policies or the law.
 - (ii) Demonstrate Waterco's commitment to creating a fair workplace and outline the process for managing matters of Reportable Misconduct.
 - (iii) Set out the avenues available to Disclosers to report any Reportable Misconduct.
 - (iv) Protect and support Disclosers, without fear of reprisal, dismissal or discriminatory treatment.
 - (v) Assist in ensuring that matters of Reportable Misconduct and/or unethical and irresponsible behaviour are identified and dealt with appropriately and on a timely basis.

1.3 Who does this policy apply to?

This Policy applies to the Waterco Group and its Personnel.

1.4 Definitions

- (a) **ASX** means the Australian Securities Exchange.
- (b) **ASX Recommendations** means ASX Corporate Governance Principles and Recommendations (4th Edition).

- (c) **Anti-Corruption Policy** means the anti-corruption policy that applies to the Waterco Group.
- (d) **Board** means the Board of directors of Waterco Limited.
- (e) **Code of Conduct** means the code of conduct that applies to the Waterco Group.
- (f) **Company** means Waterco Limited ACN 002 070 733.
- (g) **Disclosers** means current or former Waterco Personnel, their relatives, dependants, spouses or dependants of a spouse of any of the above mentioned, who whether anonymously or not, makes, attempts to make, or wishes to make a report in connection with Reportable Misconduct and where the Disclosers wish to avail themselves of protection against reprisal for having made the report.
- (h) **Diversity & Equity Policy** means the diversity and equity policy that applies to the Waterco Group.
- (i) **Employees** means any person employed by the Waterco Group on a full-time, part-time or casual basis.
- (j) **Investigation** means a search of evidence connecting or tending to connect a person with conduct that infringes the criminal law or the policies and standards set by Waterco.
- (k) **Misconduct Report Form** means a standard form to capture the details of the allegations. Completed form is to be forwarded to the WPO.
- (l) **Person** means a Public Official, foreign Public Official, third party, supplier or customer.
- (m) **Personnel** means all Waterco Group Employees, directors, contractors, suppliers and consultants.
- (n) **Reportable Misconduct** means conduct that may constitute a breach of Waterco's Code of Conduct, Anti-Bribery and Corruption policies, Statement of Values or the law, including:
 - (i) Dishonest, fraudulent, corrupt or unlawful conduct or practices, including theft, money laundering or misappropriation.
 - (ii) Irregular use of Company funds or practices.
 - (iii) Misleading or deceptive conduct, including conduct or representations which amount to improper or misleading accounting or financial reporting practices.
 - (iv) Conduct or any proposed conduct, bid, proposal, offer, contract, product or other aspect of Waterco's business that breaches the provisions of the Trades Practices legislation and the competition law in countries Waterco does business with.
 - (v) Coercion, harassment or discrimination by, or affecting, any member of Waterco or its affiliates.
 - (vi) A breach of Waterco's policies, Statement of Values or Code of Conduct.
 - (vii) Conduct within Waterco's control which is a significant danger to the environment.
 - (viii) Conduct endangering the health and safety of any Person or Persons which has been reported to management but not acted upon.

- (ix) Any action taken against, or harm suffered by a Person as a result of making a report under this Policy.
- (x) Any other conduct or act which may cause loss to Waterco or which may otherwise be detrimental to its interests.
- (o) **Waterco Group** means Waterco Limited ACN 002 070 733 and each of its wholly owned subsidiaries.
- (p) **Whistleblower Investigations Officer (WIO)** means a designated Waterco representative responsible for conducting investigations into reports received. The WIO will be appointed by the WPO on a case by case basis, depending on the nature of the report. The WIO will be an experienced and independent party who is not associated with the area under investigation.
- (q) **Whistleblower Protection Officer (WPO)** means a designated Waterco representative responsible for protecting and safeguarding the interests of Disclosers within the meaning of this Policy. The WPO will have access to independent financial, legal and operational advisers if required. The WPO is the head of the Group Corporate Assurance and Advisory Department.

2. POLICY & PROCEDURE

2.1 The Company is committed to an open working environment in which Personnel are able to raise concerns regarding actual or suspected instances of Reportable Misconduct. This Policy provides the mechanism for dealing with any reports of Reportable Misconduct.

(a) What should be reported under this policy?

Reportable Misconduct that Personnel or others believe constitute a breach of Waterco's Code of Conduct, policies and or the law. This does not include disclosures relating to personal work-related grievances unless it becomes broader Reportable Misconduct such as:

- (i) those which include information about misconduct, or information about misconduct that includes or is accompanied by a personal work-related grievance (mixed report); or
- (ii) those which concern conduct by Waterco or someone engaged by Waterco, which is a breach of employment or other laws punishable by imprisonment for a period of 12 months or more.

Disclosures which are not Reportable Misconduct do not qualify for protection under the Corporations Act.

(b) Reporting misconduct

The following reporting mechanisms are available for reporting.

(i) Internal reports

- (A) Disclosers may wish to discuss the matter informally with their supervisor, direct manager or local Human Resources Manager first to determine whether an incident of Reportable Misconduct has occurred. This is an opportune time to clarify the incident, ask questions and become familiar with the process. At all times, discussions will remain confidential.

- (B) Where this is not appropriate, where the Discloser does not feel comfortable in doing so; or where the Discloser has previously done so and believes no action has been taken, the Discloser may contact the WPO directly to discuss the incident or can report the Reportable Misconduct internally to the WPO by completing a Reportable Misconduct Report Form (MRF) and submitting it to the WPO at whistleblower@waterco.com (refer to Appendix A for a sample MRF).

(ii) **External reports**



- (A) Alternatively, the Discloser may report Reportable Misconduct, anonymously if preferred, to Waterco's external independent whistleblower service – RSM Australia. Details of Waterco's external independent whistleblower service are as follows:
- (1) you may either send an email to RSM's email helpline at RSMHelpline@rsm.com.au; or
 - (2) use a physical and postal address for reporting to RSM Australia, addressed to:
The National Head of Fraud & Forensic Services
RSM Australia
Level 21
55 Collins Street
Melbourne, VIC 3000
Australia
- (B) Additionally, a Discloser may make a public interest or emergency disclosure in accordance with the Corporations Act (to the extent applicable) to a journalist or member of the Australian parliament typically if:
- (1) the Discloser has previously made a disclosure of the information to ASIC or APRA;
 - (2) in relation to a public interest disclosure:
 - at least 90 days have passed since the protected disclosure was made to ASIC or APRA; and
 - the Discloser believes making a further disclosure to a journalist or member of parliament is in the public interest;
 - (3) in relation to an emergency disclosure, the Discloser believes that the disclosure concerns a substantial and imminent danger to the health or safety of one or more Persons, or to the natural environment; and
 - (4) the Discloser gives ASIC or APRA prior written notice of their intention to make the disclosure to a journalist or member of parliament.
- (iii) We encourage Disclosers to seek independent legal advice. All reports under this Policy are treated very seriously and will be investigated appropriately. Reports may be made anonymously, however this may impact the investigator's ability to investigate the matters

reported. Disclosures that are not about Reportable Misconduct do not qualify for protection under the Corporations Act.

(c) Investigation

- (i) All reports of Reportable Misconduct will be treated seriously and be the subject of a thorough investigation. Following a report of Reportable Misconduct, either internally or externally, the following procedure is to be followed:
 - (A) The completed MRF is to be forwarded to the WIO by the WPO.
 - (B) The WIO is to review the MRF and determine whether the disclosure:
 - (1) qualifies for protection; and
 - (2) formal, in-depth investigation is required.
 - (C) If the disclosure qualifies for protection and a formal investigation is required, the WIO will determine the appropriate manner of investigation, assess the risk of detriment against a Discloser and any other Persons as a result of the disclosure, and inform the WPO accordingly.
 - (D) The WIO will inform the Discloser about how the investigation will proceed and how they will be supported throughout the investigation.
 - (E) Within 14 days of the disclosure the WIO, in consultation with the WPO will determine what resources are needed and secure access to those resources, including where necessary the assistance of other Personnel or external professional help (including lawyers, accountants, forensic analysts or operational experts).
 - (F) The WIO plans and conducts the investigation.
 - (G) The WIO considers the process and control improvements (risk assessments in accordance with Waterco's risk management policy, audits, etc.).
 - (H) Within 28 days of the disclosure the WIO prepares an Investigation Report and forwards the Investigation Report to the WPO and the Audit Committee of the Board.
- (ii) There may be circumstances in which it is inappropriate to provide details of the outcome of the investigation to the Discloser, however if the circumstances permit it, the WPO will regularly update the Discloser and debrief them once the investigation has concluded.
- (iii) The WIO will keep persons who are the subject of an allegation of unacceptable conduct informed of the progress or relevant findings of an investigation so far as reasonable, having regard to the nature of the allegation of unacceptable conduct or investigation findings, confidentiality, and the fair treatment of persons who are subject of the allegation of unacceptable conduct. Regardless of the circumstances, the individual will be informed before the making of any adverse finding against them. Where allegations of unacceptable conduct made against another person cannot be substantiated, that person will be advised accordingly and will be entitled to continue in their role as if the allegations had not been made.

(d) Reporting of investigation findings

At the end of the investigation, the WIO will report their findings to the WPO, who will determine the appropriate response. This response will include addressing any unacceptable conduct and taking remedial action required to prevent any future occurrences of the same Reportable Misconduct. Where issues of discipline arise, the response will be in line with the Code of Conduct. All investigation outcomes will be reported to the Audit Committee of the Board.

(e) **Whistleblower anonymity**

- (i) If requested, the identity of the Discloser will be kept strictly confidential by the WPO and WIO. It is illegal for a person to identify a Discloser, or disclose information that is likely to lead to the identification of the Discloser unless:
 - (A) the person making the report consents to the disclosure;
 - (B) the disclosure is required by law;
 - (C) the information is disclosed to ASIC, APRA, AUSTRAC or the AFP;
 - (D) the information is disclosed to a legal practitioner for the purpose of obtaining legal advice in relation to the operation of applicable whistleblowing protection laws;
 - (E) the disclosure is necessary to prevent or lessen a serious threat to a Person's health or safety;
 - (F) it is necessary to protect or enforce Waterco's legal rights or interests; or
 - (G) it is necessary to defend any claims.
- (ii) If a Discloser believes there has been a breach of confidentiality in relation to their report, they may immediately report the matter to a WPO or lodge a complaint with a regulator such as ASIC, APRA or the ATO for investigation.

(f) **Whistleblower protection**

- (i) A Discloser qualifies for protection as a whistleblower under the Corporations Act if they are an eligible Discloser and Waterco will not tolerate any threatened or actual conduct that causes detriment to a Discloser or other Person in relation to a disclosure. Instances of detrimental conduct include legitimate Disclosers or another Person being:
 - (A) dismissed;
 - (B) injured, damaged or harmed (including psychological, property, business financial or reputational damage);
 - (C) demoted;
 - (D) subjected to any form of victimization, harassment and persecution; or
 - (E) discriminated against,
 as a result of the disclosure.

- (ii) A Discloser who believes they, or their family, have been the victim of any of the above by reason of their status as a Discloser, should immediately report the matter to the WPO. A Discloser (or another Employee or Person) may seek compensation and other remedies through the courts if they have suffered detriment as a result of a disclosure and Waterco fails to take reasonable precautions and exercise due diligence to prevent the detriment, however this will not include reports of non-detrimental conduct. Examples of non-detrimental conduct include:
 - (A) administrative action to protect a Discloser; or
 - (B) managing a Discloser's unsatisfactory work performance, if that management is aligned with Waterco's performance management framework.
- (iii) Any member of the Waterco Personnel who is found to have dismissed, demoted, harassed, or discriminated against a Discloser by reason of their status as a Discloser may be subjected to disciplinary measures.
- (iv) A Discloser will not be penalised or personally disadvantaged because they have reported a matter, provided the Discloser is not involved in or connected to the improper conduct or illegal activities that are the subject of a report. A Discloser who has been involved in the reported Misconduct may be provided with (but is not entitled to) immunity or due consideration from Waterco initiated disciplinary proceedings, by agreement with Waterco. A Discloser may also be protected from any of the following in relation to their disclosure:
 - (A) civil liability (eg legal action for breach of employment contract, duty of confidentiality);
 - (B) criminal liability (eg prosecution for unlawful release of information); and
 - (C) administrative liability (eg disciplinary action for making the disclosure),
 however, Waterco has no power to provide immunity from criminal prosecution or civil liability.
- (g) **Feedback and communication with the Discloser**

Wherever possible, and assuming the identity of the Discloser is known, the Discloser will be kept informed of the outcome of the investigation of his or her report, subject to privacy and confidentiality considerations. All Disclosers must maintain confidentiality of all such reports, and not disclose details to any Person.

(h) **Document retention and confidentiality**

All information, documents, records and reports relating to the investigation of a Reportable Misconduct will be confidentially stored and retained in an appropriate and secure manner.

3. RESPONSIBILITIES

- 3.1 **Waterco Board** – responsible for creating and fostering an environment where Personnel and others feel encouraged to report Misconduct.
- 3.2 **Audit Committee of the Board** – responsible for overseeing the operation of the policy and reviewing the outcome of the reports.

- 3.3 **Whistleblower Protection Officer** – responsible for the receipt of all Discloser reports, their evaluation and deciding on the appropriate investigation method and report tools. Also develop quarterly reports for providing to the Audit Committee.
- 3.4 **Whistleblower Investigation Officer** – carry out or supervise the investigation of Discloser reports.
- 3.5 **External Service** – responsible for the receipt of reports and forwarding them on to the WPO for action and /or referral to the WIO, mindful of the privacy and protection of the Discloser.
- 3.6 **Managers** –encourage the open environment for reporting, participate in investigations and where required, protect Disclosers.
- 3.7 **Employees** –report suspected Misconduct and facilitate an open and safe work environment.

4. EVALUATION

- 4.1 The Whistleblower Policy will be reviewed periodically as and when necessary to meet the operational requirements of the Company and changes in the law. A report will be made to the Board of the outcome of each review and all recommended changes to the Policy.

5. ACCESS TO THIS POLICY

- 5.1 A copy of the Whistleblower Policy is available on the Company’s website at <https://www.waterco.com.au/corporate-section/corporate-governance>.
- 5.2 The Whistleblower Policy has also been distributed to each officer and Employee by way of email circulation.
- 5.3 Employees must ensure that they understand how this Policy applies to them as an Employee. If an Employee is uncertain about whether this Policy applies to them, a particular situation, or have any other questions, they are encouraged to speak with their immediate supervisor, manager, or the Whistleblower Protection Officer.

6. REFERENCES

- 6.1 Code of Conduct
- 6.2 Anti-Corruption Policy
- 6.3 Diversity & Equity Policy
- 6.4 Statement of Values

7. APPENDICES

- 7.1 Misconduct Report Form

APPENDIX A

Misconduct Report Form ("MRF")

Person completing the MRF: _____

Whistleblower's name: _____

Note: This form can be anonymously completed and the Whistleblower can choose not to reveal their identity.

Confidential contact details:

Date of report:

Has the Misconduct been reported in any other form by you or, to your knowledge, any other Person:
Yes / No / Uncertain (*please circle*)

Identity of person(s) engaged in Misconduct:

Location of Misconduct:

Describe in as much detail as possible the facts, circumstances and events of the Misconduct (Please attach additional pages if required)

Receipt of MRP:

Date:

Signature:

Name:

Position:
