

Lean Manufacturing

Changing Today, for a Better Tomorrow

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Ansell Limited (ASX:ANN), a global leader in personal protection safety solutions, announces ambitious new mid- and long-term greenhouse gas (GHG) emission reduction targets and other climate risk mitigation actions.

Ansell is committing to science-based reduction targets for Scope 1 and Scope 2 that would see the Company achieve net zero by 2040 for its own operations, supported by a mid-term target of a 42% reduction in Scope 1 and Scope 2 emissions by 2030, from a FY20 baseline. This is in-line with the ambition of the Paris Agreement to limit global warming to 1.5°C. Ansell will focus on long-term decarbonization efforts within its own operations, prior to exploring investing in credible and high-quality off-sets to address any limited residual emissions (less than 10%).

Ansell's overarching decarbonization strategy will encompass its end-to-end value chain and focus on:

- Reducing its dependency on fossil fuels and shifting to renewable energy sources through direct renewable energy investments at some of its facilities as well as procurement of renewable energy through Power Purchase Agreements;
- Innovation in products and business models while reducing reliance on synthetic raw materials and improving circularity; and
- Collaboration through value chain partnerships and policy advocacy.

While it is recognized that Ansell's decarbonization strategy, including the 2040 net zero (Scope 1 & 2) target, is reliant on several external dependencies, such as the availability of renewable energy, support of government policy and further development and commercial viability of emerging technologies, Ansell is committed to engaging with all stakeholders to achieve these targets and goals.

Over the years, Ansell has invested in initiatives and capital to reduce its environmental impact and mitigate climate risks, with these efforts being recently recognised with a silver rating by EcoVadis. In the past year, Ansell completed critical work on climate risk assessments, a review of corporate environmental targets, and climate risk scenario modelling. These served as the foundations for Ansell to make an informed decision on the climate action strategy being put forward.

Ansell has a large and complex supply chain which represents the majority of the Company's overall GHG emissions. While Ansell has a broader ambition to reduce end-to-end value chain emissions, further engagement with its supply chain and other stakeholders is required before the Company can define its Scope 3 emission reduction targets. Emissions from purchased goods & services and end of life treatment make up a significant portion of Ansell's Scope 3 emissions and the complexities in these categories will require ongoing efforts to bring in direct value chain data and integration of life cycle assessment data. Collaboration is essential in driving Ansell's decarbonization plan and Ansell is committed to actively engaging with its customers, end users, suppliers and other industry participants on the reduction of emissions. The key activities which will be investigated further include: (i) aligning to finished goods and raw material suppliers who are also committed to reducing their operational emissions; (ii) low carbon transport and distribution; (iii) product end of life, and (iv) environmentally

friendly raw materials. Ansell is also addressing the regulatory and infrastructure related constraints for end-of-life management of our products.

In addition to revised GHG emission reduction targets, Ansell is also announcing today:

- A commitment to align with the Climate Group's RE100 and EP100 initiatives for shifting to renewables and improved energy management systems in its manufacturing facilities;
- It is replacing its water intensity reduction targets with new Water Stewardship commitments to reduce absolute water withdrawals by 35% by end of FY25, from a FY20 baseline. This corporate target is made up of tiered contextual targets for each of Ansell's manufacturing facilities which take into account water-stress at a basin level and annual withdrawals; and
- A commitment to engage with the International Union for Conservation of Nature (IUCN) to assess the organization's natural capital impacts and dependencies in their value chain and develop plans for potential improvements and mitigation of negative footprints.

These new and revised commitments will sit alongside the Company's previously announced targets to:

- Achieve certified zero waste to landfill at all manufacturing operations by end of FY23; and
- Fully align with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) by the end of FY22.

"With these new targets and commitments, Ansell is pledging to continue leading our industry in advancing the sustainable development agenda. We will see greater and more integrated collaborations within the Company and across our supply chain as we accelerate existing approaches, including formalizing environmental stewardship engagement, partnering for policy advocacy, and innovating for product stewardship and we invite our stakeholders to join us on this journey. Ansell will continue to think about people and the planet first" said Neil Salmon, Managing Director and Chief Executive Officer.

Ansell will continue to actively monitor progress against its metrics and targets. While the Company's focus will be on implementation and execution of these climate action targets, Ansell commits to undertake a review of its climate action approach and related targets at least every three years.

This announcement was authorized for release by the Board of Directors of Ansell Limited.

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