

# Sustainability Report 2020

Ansell







## HyFlex® 11-840

As an alternative to disposable protection solutions, Ansell's multipurpose HyFlex® 11-840 gloves are engineered to be more durable, washable and re-usable.

HyFlex 11-840 features Ansell's new FORTIX technology which offers a new coating that not only increases the life of the glove but also reduces water consumption in the manufacturing process.

The glove is produced in our factory in Sri Lanka which uses renewable energy, such as Biomass boilers, reducing our greenhouse gas emissions.

HyFlex 11-840 is non-latex, dermatologically tested by Dermatest and also Oeko-tex certified, which guarantees that the glove does not contain any harmful substances.



## GAMMEX® PI Plus Glove-in-Glove™ System

GAMMEX® PI Plus Glove-in-Glove™ System is the world's first-to-market, pre-donned double gloving system that responds to our healthcare workers' need for faster and easier double gloving, while having valued environmental benefits.

By having two pairs of gloves pre-donned in one pack, donning time and inner packaging material are reduced by 50%. This is then combined with Ansell's patented SMART Pack dispenser, further significantly reducing outer packaging material and requiring less container space during transportation – therefore reducing both material usage and emissions.

Inner and outer gloves offer heightened user comfort and are made with a skin-friendlier PI formulation manufactured with a cleaner formulation with less chemical accelerators and reduced energy usage.



Each member of our 13,000-person workforce is fully committed to ensuring that Ansell can respond to the sharply increased demand for our quality products due to COVID-19 and safeguard the wellbeing of workers everywhere. Here, Yanyan Qi, an inspector at our Xiamen, China manufacturing plant, inspects the quality of each body protection suit we produce.

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## Statement from the CEO

We did not lose sight of sustainability in FY20 amidst the pandemic, although we did not progress in all areas as we had planned. Despite disruptions, we completed foundational work to strengthen our program and build momentum for the future.



As a safety company, Ansell recognises its responsibility to protect people worldwide from injury and disease. In our 125-year history, this commitment has never been tested as it has in this past year. With COVID-19, we faced the need to maintain our employees' health and, at the same time, respond to sharply increased demand for our products. Seemingly overnight, PPE went from an acronym that very few people recognised to an essential item of everyday life that we all want and need.

In reflection, I believe that this challenging time has served as a catalyst for Ansell, moving us from promise to action. The COVID-19 crisis led us to focus and prioritise, make fast decisions, and engage even more fully with customers and suppliers. During it all, our Ansell people were guided by our values and our commitment to stakeholders. I continue to be incredibly proud of our strong and resilient Ansell workforce – true heroes of the past year.

We did not lose sight of sustainability in FY20 amidst the pandemic, although we did not progress in all areas as we had planned. Despite disruptions, we completed foundational work to strengthen our program and build momentum for the future. Today our sustainability agenda is a key priority in our COVID-19 response plan as we transition to a 'Back to Better Future', as we call it. To evaluate emerging issues, we completed a materiality assessment that will inform our approach to the key areas of environmental, social and governance risks and opportunities. In our R&D centres worldwide, we are pursuing an ambitious innovation program, keeping ahead of the industry in developing quality protection solutions with a smaller environmental footprint – all part of what the world requires.

We continue the evolution of our work on labour standards that began several years ago, acknowledging that our industry has sometimes failed to protect workers' rights fully. Our leadership team has affirmed our ethical recruitment commitment, and we have committed to retrospectively reimburse fees paid by some migrant workers to home country agents during their recruitment period. The underlying issues in supply chains are complex, but we are working steadfastly to improve how labour rights are managed in our own operations, our supplier base, and the industry more broadly.

*"We recently surveyed our professional employees to understand current engagement and gauge their view of the Company's response to COVID-19. The response was an impressive 9-point increase in employee engagement for this population."*

Safety in our organisation is always our number one priority but never more so than this year. We leveraged best practice health and safety operations across our manufacturing operations and shared with our suppliers and customers. Even before the pandemic, we had begun to explore more flexible ways of working and to develop and reinforce more inclusive behaviours in our work environment for all Ansell colleagues. We recently surveyed our professional employees to understand current engagement and gauge their view of the Company's response to COVID-19. The response was an impressive 9-point increase in employee engagement for this population.

The bar for leading practice in environmental sustainability management continues to rise. We have committed to a three-year project to identify, disclose and manage climate-related risks in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures. In addition to our public targets for energy and emissions, water and waste, this transparency will drive our continuous improvement supported by the associated management KPIs now in place.

The achievements of the past year – and its challenges – reinforce Ansell's focus on its people and the sustainability issues that are impacting our planet.

I would like to thank all our employees for their hard work and commitment to ensuring we operate a safe, responsible and sustainable business.

**Magnus Nicolin**  
Managing Director and Chief Executive Officer

# Performance snapshot



## Conducted a modern slavery risk assessment

over our operations and direct supply chains



## Committed to reimburse recruitment fees

that had been paid by some of our migrant workers to home country agents during their recruitment period<sup>1</sup>



## Health and safety

LTIs 0.081 cases/100 employees/year  
MTIs 0.198 cases/100 employees per year  
Zero fatalities  
Injury rates amongst the lowest of global peers



## Professional employee engagement

rose from 56% in 2019 to

**65%**



## Donated close to 4 million

pieces of personal protective equipment (PPE) to 55 organisations around the world



## Improved alignment with the TCFD

by undertaking a climate risk assessment



## Women in our workforce

**50%**

at Board level  
(Non-Executive Directors)

**28%**

at Director level  
and above

**35%**

at Manager level through  
to Associate Director



## GHG emissions and water withdrawals increased

partly as a result of increased manufacturing to meet demand from COVID-19



**We achieved 13%**

of our FY25 goal to achieve a 25% GHG emissions intensity reduction below the FY16 baseline



**82%**

of manufacturing waste diverted from landfill<sup>2</sup>

1. Note the first payment occurred in September 2020.

2. Seven-month figure; measurement began December 2019.

## About Ansell

Ansell has evolved from an Australian rubber latex products manufacturer to one of the world's most advanced safety solutions providers. Every day, millions of people around the world depend on Ansell. With Ansell products they always know they are protected and can perform safely and effectively. Our category expertise, innovative products, trusted brands and advanced technologies give peace of mind and confidence that no other company can deliver. By expanding the Company's global reach, category depth and innovation pipeline, we support our customers' growth and provide solutions for new needs. This approach allows us to continue to deliver for our customers, employees and shareholders.

Ansell Limited is legally domiciled in Melbourne, Australia and listed on the Australian Stock Exchange. It is led from four main headquarters: in Melbourne, Australia; Brussels, Belgium; New Jersey, USA; and Cyberjaya Malaysia. Ansell and its subsidiaries market and manufacture a range of hand, arm and body protection solutions for customers in over 100 countries. We operate across two main business segments, Industrial and Healthcare.

### Healthcare Global Business Unit

The Healthcare GBU manufactures and markets innovative solutions for a wide range of customers, including hospitals, surgical centres, dental surgeries, veterinary clinics, first responders, manufacturers, auto repair shops, chemical plants, laboratories and pharmaceutical companies.

**GAMMEX®**   **MICROFLEX®**

**TouchNTuff®**   **SANDEL®**

**ENCORE®**   **BioClean®**   **EDGE®**

### Industrial Global Business Unit

The Industrial GBU manufactures and markets high-performance hand and Chemical Protective Clothing solutions for a wide range of industrial applications. Ansell protects workers in almost every industry, including automotive, chemical, metal fabrication, machinery and equipment, food, construction, mining, oil & gas and first responders.

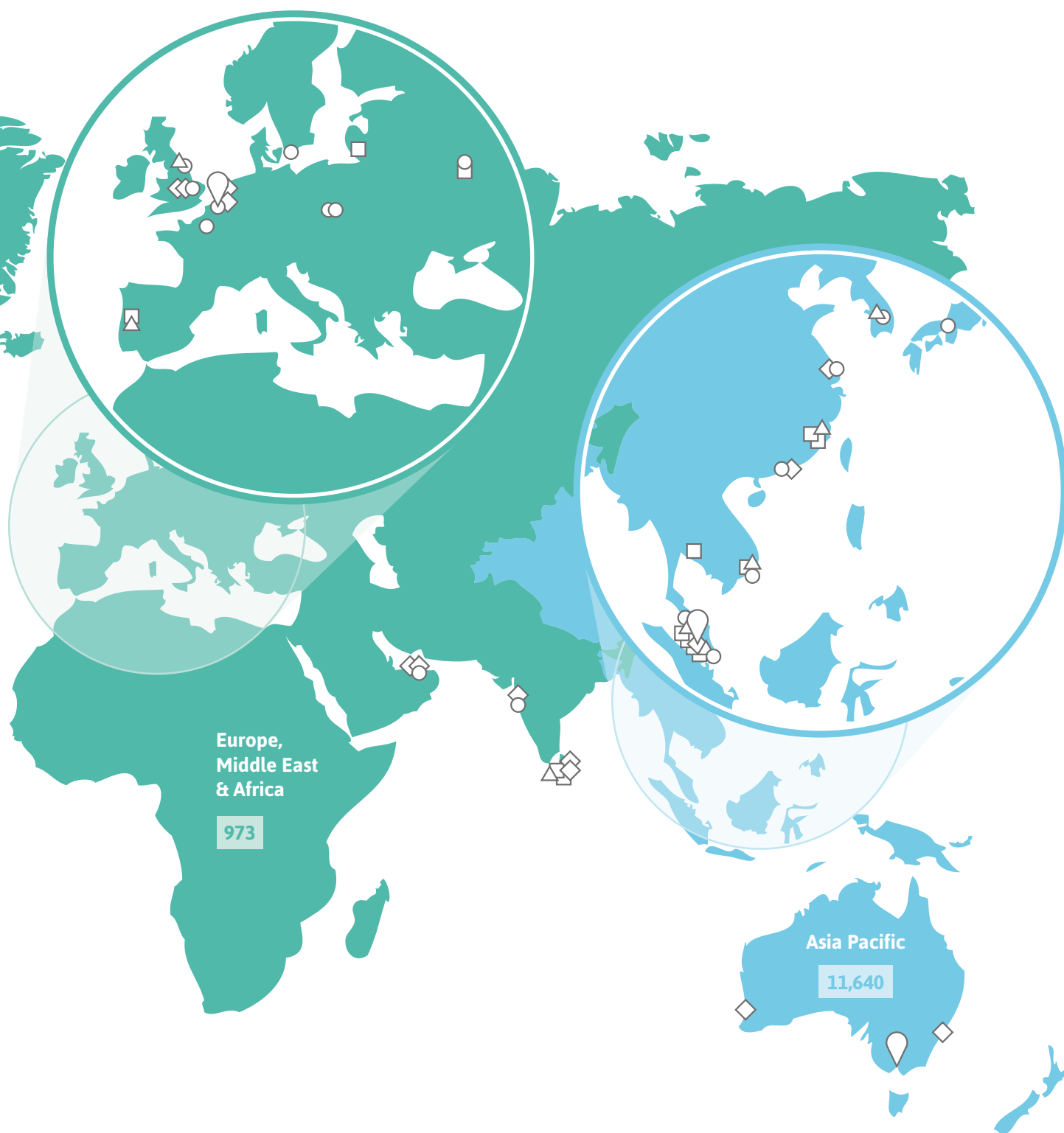
**HyFlex®**   **AlphaTec®**   **EDGE®**

**ACTIVARMR®**



Across these functions, we employ more than 13,000 employees in 54 countries around the world. Our operations, including our 14 manufacturing sites are set out in the following map.

For detail on our financial performance in the reporting period, see our 2020 Annual Report.



Europe,  
Middle East  
& Africa

973

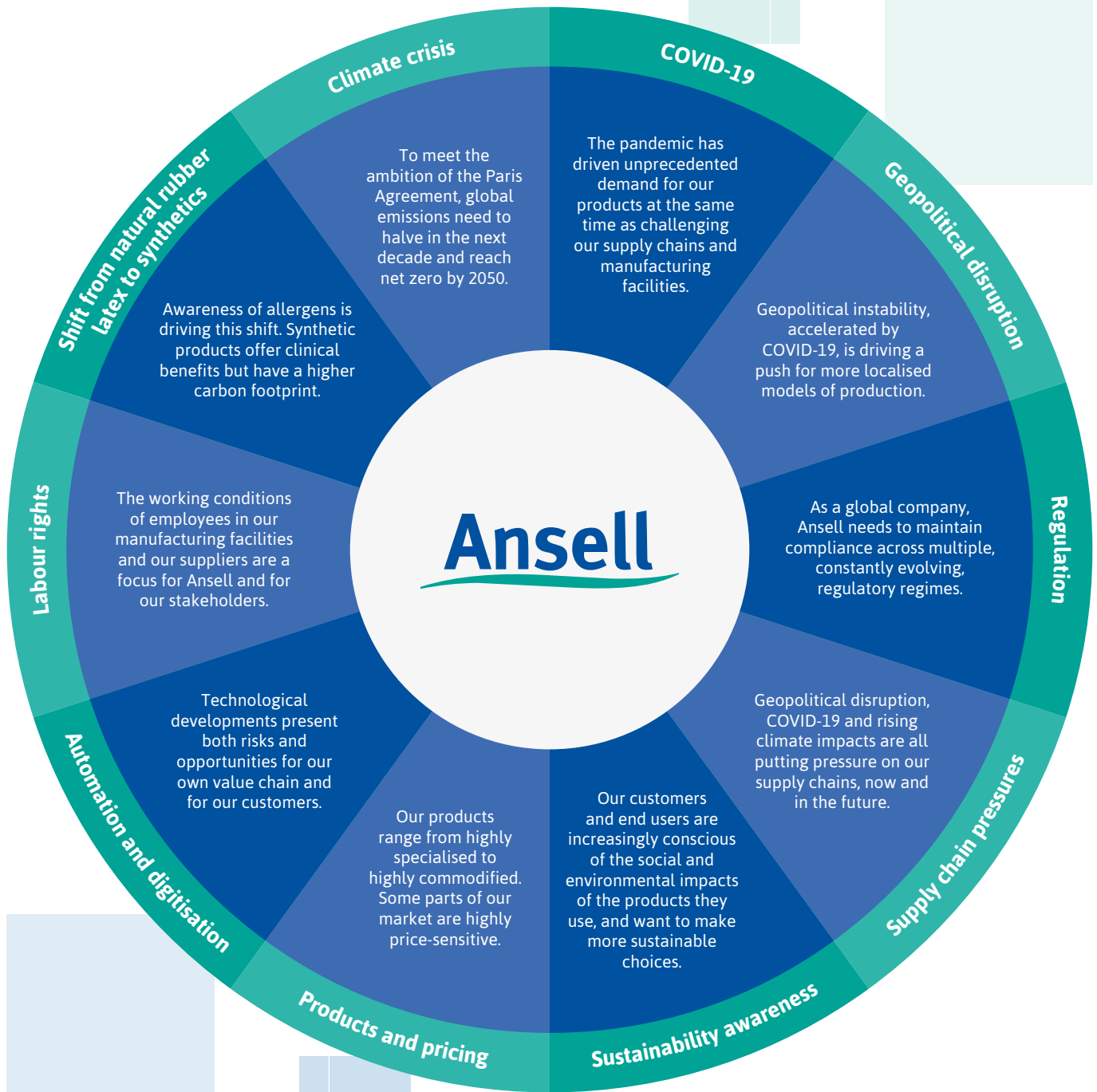
Asia Pacific

11,640

#### Map Key

- |                          |                                     |
|--------------------------|-------------------------------------|
| Corporate hubs           | Warehouse/distribution facilities   |
| Offices                  | Research and development facilities |
| Manufacturing facilities | Employees by region (total 13,568)  |

## Our operating context














# Sustainability at Ansell

Ansell is recognised as a world leading company in the safety industry. We are a listed company and are proud of the performance we deliver to our shareholders. We are also a truly global company, with over 13,000 employees spread across 54 countries. Our obligations extend not only to our investors, but also to our customers, employees and wider workforce, suppliers, community and our planet.

We are committed to doing business in an ethical manner which yields long-term, sustainable benefits for the Company and all of our stakeholders. Our goal is to become a leader in sustainability, just as we are in safety.

Our Responsible and Responsive Strategy and Purpose encapsulates our key stakeholders and areas of focus for sustainability which are covered in this report.

## A Responsible and Responsive Strategy & Purpose

Better Society	 Employees and wider workforce	 Community	 Business ethics	<ul style="list-style-type: none"> <li>• We care about our people and safety is our top priority</li> <li>• We support our communities</li> <li>• We play fair and conduct business ethically</li> </ul>
	 Water	 Energy and carbon	 Materials and waste	<ul style="list-style-type: none"> <li>• We use natural resources with care</li> <li>• We work to continually lower our GHG emissions</li> <li>• We respect the local environment</li> </ul>
	 Customers	 Suppliers	 Investors	<ul style="list-style-type: none"> <li>• We provide our customers with safety and productivity solutions</li> <li>• We choose like-minded partners</li> <li>• We reward investors</li> </ul>



Being a responsible and responsive business means measuring our success against societal and environment indicators as well as business targets. Accordingly, we have started incorporating appropriate environmental and social KPIs into our management structure and remuneration outcomes.

We have for many years worked steadily to reduce our environmental impacts and improve our social impacts in our operations and our supply chains. This year we have undertaken more detailed analysis of our exposure to risks associated with modern slavery and climate change. This work will continue over FY21 and help drive our strategy in these areas.

We are also turning our attention to emerging issues. As a manufacturer of disposable goods, the end of life of our products has become an increasing focus for us. As we develop new products and refine our production processes, we are now looking to apply an environmental impact lens throughout the product lifecycle and exploring opportunities to reduce the post-consumer environmental impacts of our products (refer to pages 44–45).

## Our material topics

In preparation for this 2020 Sustainability Report, Ansell undertook a materiality assessment to increase the maturity of our approach in the key areas of environmental, social and governance risks and opportunities. The approach was guided principally by the Global Reporting Initiative Standards 2016 (GRI) and the Sustainability Accounting Standards Board (SASB) and considered:

- The issues that matter to Ansell's business performance
- The issues that matter to Ansell's stakeholders
- The issues on which Ansell currently has, or could have, an impact.

This materiality assessment included consideration of emerging issues that will continue to shape our strategy and actions in future years, and also took into account how Ansell can or does impact the Sustainable Development Goals (SDGs). Further detail on our alignment with the SDGs can be found on page 9.

This materiality assessment took into consideration the following inputs:

- Internal stakeholder engagement, including members of our Board and Executive Leadership Team and representatives from our business units and operational teams

- External stakeholder engagement, including customers and investors
- Desktop analysis of internal documents, including policies, strategies, reports, frameworks, governance documents and Board papers
- Desktop analysis of external documents, including media, peer reports, investor surveys and NGO perspectives.

This initial analysis was then subject to:

- Weightings applied relative to the importance of each input
- Analysis of results, prioritisation of topics and the development of topic definitions
- Validation of findings with some members of the Executive Leadership Team in dedicated workshops.

The resulting material topics are shown below, aligned with our Responsible and Responsive Strategy and Purpose. The most material topics are shown in bold.

<b>Better Society</b>	<b>Labour rights</b> <b>Employee health and safety</b> <b>Recruitment and engagement</b>	<b>Diversity and inclusion</b> <b>Community engagement and investment</b> <b>Business ethics and governance</b>
<b>Better Environment</b>	<b>Energy and emissions</b> <b>Responsible supply chains</b> <b>Water stewardship</b> <b>Product stewardship</b> <b>Climate risk</b>	<b>Operational resource efficiency and waste minimalisation</b> <b>Environmental impact and compliance</b> <b>Chemicals and hazardous materials</b>
<b>Better Business</b>	<b>Quality protection solutions and innovation</b>	<b>Business continuity and demand response</b>

The definition and boundaries of our material topics are outlined on page 49.

Our previous materiality assessment was conducted in FY16. Many topics are consistent, such as labour rights, recruitment and engagement, and business ethics and governance. Water stewardship has become more material. Stakeholder

engagement has been removed as a stand-alone topic, but is recognised as a critical element of multiple material topics. Our FY20 assessment identified emerging issues including product stewardship. More broadly, several FY16 topics have been either combined or disaggregated to reflect changes in the importance and management of these issues.

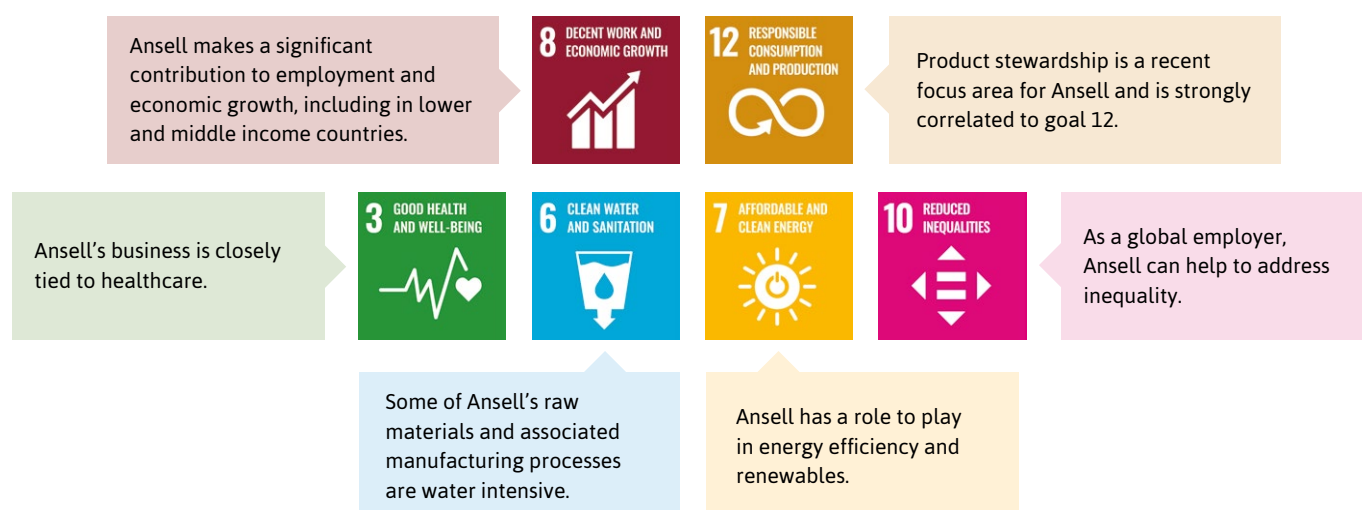
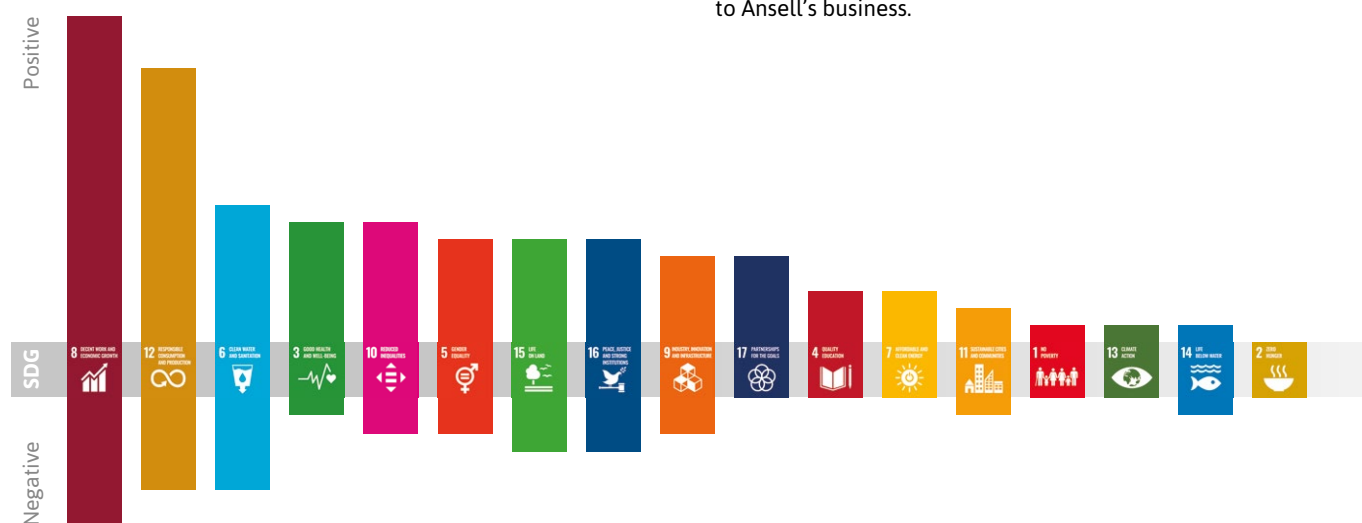
# Sustainable Development Goals

Ansell endorses the UN Sustainability Development Goals (SDGs), an interrelated set of 17 global goals and 169 related targets agreed by the UN in 2015. The goals aim to address the world's most pressing economic, environmental and social issues. In FY20, we reassessed which SDGs are most aligned to Ansell's business, mapping each of our material topics to the SDGs.

The mapping process focused on two major considerations:

- Overall impact** – We assessed Ansell's overall potential to impact each SDG at the target level, considering both positive impacts that we do or could have, as well as negative impacts that we can mitigate.
- Material issues** – We assessed each of our material sustainability issues, and mapped these against each relevant SDG at the target level.

Through this analysis and engagement with the Executive Leadership Team, we identified six priority SDGs most aligned to Ansell's business.



Establishing alignment is only a first step towards impact. To make a meaningful contribution to the goals, Ansell will need to take active steps and build partnerships to create real change.

Ansell additionally endorses/is a signatory to:

- CDP climate and water reporting
- Taskforce for Climate-related Financial Disclosures
- Workplace Gender Equality Agency gender equity pledge
- UN Guiding Principles on Business and Human Rights
- International Labour Organisation Core Conventions.



# Ansell value chain

## Governance

Across every part of our value chain, Ansell aims to be a responsible and ethical business with robust governance processes.



## Product development

Our research and development teams are establishing a baseline lifecycle assessment for key product lines. This will enable us to make data-driven choices when developing new products to offer the best comfort, fit and protection for our customers with minimum environmental impact.



At the end of their life, our products are typically incinerated or sent to landfill. The nature of our products, being exposed to biological or chemical contaminants, makes it challenging to find alternatives, but we are exploring opportunities to reduce the post-consumer environmental impacts of our products.

## Disposal

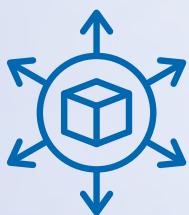


Millions of end users around the world trust in the Ansell brand to keep them safe from harm, whether in an industrial or healthcare setting. Our products are known for their quality and performance.

## Use

## Raw materials

Our products draw on natural materials such as cotton and rubber as well as synthetic, petroleum-derived materials. We are working to better understand and manage the social and environmental impacts of our raw materials and how they are harvested or extracted.



Our products journey from their origins as raw materials, to manufacturing facilities, distribution centres, then onto our customers and finally end users. Our life cycle assessments will give us a better understanding of the associated carbon footprint, and how we might be able to reduce it.

## Distribution

## Manufacturing

Our manufacturing processes are labour intensive. We are working to ensure that the rights of our own workforce and those of our suppliers are protected and respected.







Manufacturing is also energy, greenhouse gas and water intensive, and generates waste. We are constantly looking for ways to make our processes more resource-efficient and reduce our environmental impact.



We work closely with our customers across healthcare and industrial markets to provide quality protection solutions. Our customers are increasingly interested in the social and environmental impacts of our products as well as price and performance.

## Marketing and sales

# Value chain impacts

								
		Product development	Raw materials	Manufacturing	Marketing and sales	Distribution	Use	Disposal
Controlled by Ansell		Ansell		Ansell	Ansell	Ansell		
Controlled by others			Raw material suppliers	Finished goods suppliers		Logistics suppliers	B2B customers and end users	End users, disposal providers
Better Business	Business ethics and governance	●	●	●	●	●	●	●
	Business continuity and demand response		●	●	●	●		
	Quality protection solutions and innovation	●	●	●	●	●	●	●
Better Society	Labour rights		●	●				
	Employee health and safety	●	●	●	●	●		
	Recruitment and engagement	●		●	●	●		
	Diversity and inclusion	●		●	●	●		
	Community engagement and investment			●	●			
Better Environment	Environmental impact and compliance		●	●		●		
	Climate risk	●	●	●	●	●		
	Energy and emissions	●	●	●		●		●
	Water	●	●	●				
	Operational resource efficiency, waste minimisation	●		●				
	Chemicals and hazardous materials	●		●				
	Responsible supply chains	●	●	●		●		
	Product stewardship	●	●	●	●	●	●	●



# Our stakeholders

Ansell is committed to meaningful stakeholder engagement, built on the foundations of trust, transparency and accountability. Our stakeholders include our employees and wider workforce, customers and end users, investors, regulators, suppliers and the community. One mechanism through which we prioritise stakeholders is through engagement in our materiality assessment process, detailed earlier in this report.

The method and frequency with which we engage with our stakeholders varies with the type of stakeholder and their key topics of interest. The table below sets out our stakeholder groups, their key topics of interest and the mechanisms through which we engage.

Stakeholder group	Key topics of interest	How we engage
<b>Investors</b>	Financial performance Material sustainability topics, especially: Climate risk Environmental impact and compliance Labour rights Health and safety	Investor presentations Capital market days Annual General Meetings ASX disclosures Direct engagement
<b>Employees and contractors</b>	Financial performance Labour rights Engagement Diversity and inclusion Climate risk Environmental impact and compliance Health and safety Community engagement and investment	Town halls Intranet Company-wide emails Conferences and events Engagement surveys Training Innovation Awards Volunteer and community programs
<b>Suppliers</b>	Labour rights Responsible supply chains Business continuity Business conduct Product specifications and quality expectations	Supplier agreements Direct engagement Audits (including third-party audits) Supplier Code of Conduct Participation in business and industry associations
<b>Local communities</b>	Community engagement and investment Environmental impact and compliance	Local events Sponsoring Education and healthcare support Philanthropic activities Volunteer programs
<b>Customers (B2B)</b>	Quality protection solutions and innovation Business conduct Labour rights Responsible supply chains Business continuity/reliability of supply Environmental impact and compliance Pricing	Customer service interaction Direct engagement Sales and contract negotiations Website Trade shows Plant visits Marketing
<b>End users</b>	Quality protection solutions and innovation Product stewardship Business continuity Responsible supply chains Environmental impact and compliance Labour rights Pricing	Customer service interaction Contact through distributors Website Marketing AnsellGUARDIAN™ Customer site visits
<b>Regulators</b>	Governance Business conduct Labour rights Health and safety Environmental impact and compliance	Direct engagement Participation in business and industry associations Annual Report Sustainability Report
<b>NGOs</b>	Labour rights Responsible supply chains	Direct engagement Partnerships Donations/disaster relief support Sustainability Report

## Engaging in regulation

Health and safety standards and regulations are critical to Ansell's market and the products we offer. As a global leader in the industry, we actively participate in industry-related committees and national regulatory organisations, sharing our expertise and

ensuring we are prepared and can quickly respond to any changes in the regulatory landscape. For a full list of industry associations in which Ansell is engaged, see page 48.

# Governance

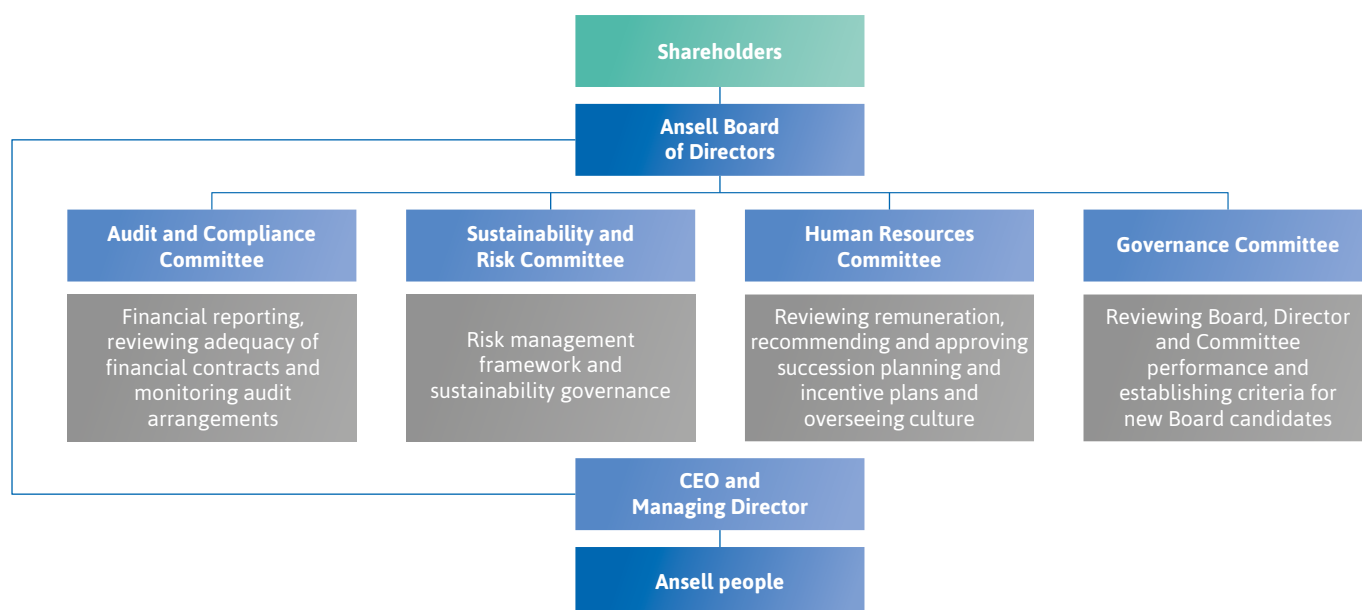
## Our perspective

Robust corporate governance serves the long-term interests of our shareholders and other stakeholders, strengthens management and builds trust in Ansell. By putting in place the right governance framework, our Board and management have set a culture of integrity, transparency and accountability. This strong governance structure and culture of ethical behaviour have been instrumental in assisting us to successfully navigate the COVID-19 pandemic, serving our customers through the challenging environment, making our supply chain more resilient and keeping our people safe.

## Our approach

We aim to foster an ethical culture and lead with integrity in everything we do. Ansell's commitment to sound corporate governance is driven by our Board, core values, risk management framework and our Code of Conduct. The Board of Ansell is responsible for leading and overseeing the management, administration and overall governance of the Company.

The Board is accountable to shareholders for creating and delivering shareholder value. The Board is supported by four standing committees as set out below. The Board Charter, and the charter of each of the four standing committees, is available at [www.ansell.com/about-us/sustainability/governance](http://www.ansell.com/about-us/sustainability/governance).



The Board met (including Committee meetings) 30 times in FY20. Over this period, the Board and its Committees undertook strategic, governance and oversight activities with a core focus on:

Company strategy & performance

Board & management succession

Oversight of capital management initiatives

Risk management, governance & compliance

Sustainability & Corporate Social Responsibility

The Board is comprised of four female and four male non-executive directors and the CEO. We aim for a makeup of directors who bring experience, expertise and diversity to our decision making. Our Governance Committee regularly considers the Board's composition, and the Board skills matrix is reviewed yearly to ensure the Board has the attributes we need to respond to ongoing and emerging issues. To further support the Board's capability, directors participate in continuing education, training and development programs designed to improve their insight into the business and maintain skills necessary to discharge their obligations to the Company.

### Ensuring continuity in the time of COVID-19

In evaluating our Board and CEO succession planning, we have reflected on the uncertainties of current global markets amid the COVID-19 pandemic. To provide ongoing certainty and continuity in our governance approach in light of the pandemic, one of our Board members, Mrs Marissa Peterson, has agreed to defer her retirement by 12 months. This decision was made because her experience and deep knowledge of the Company would be especially valuable over the coming year. Similarly, in June 2020 we announced that the planned CEO succession has been delayed by six months, with Mr Nicolin to remain in his current role until the end of the 2021 calendar year.

To ensure its continued effectiveness, our Board conducts an annual review of its performance and the performance of each of the standing Committees, directors and the CEO. In addition, every three years we engage a third party to conduct a review of its structure and effectiveness and seek advice on the skills, attributes and experience required to meet Ansell's strategic goals. Additional detail on Ansell's corporate governance arrangements are set out in the FY20 Corporate Governance Statement and 2020 Annual Report.

### Risk management

The effective management of risk is vital to Ansell's continued growth and success. Ansell's Risk Management Framework enables us to identify and prioritise risks, including sustainability risks, and guides the process for managing and treating identified risks.

We prioritise risks by assessing their likelihood and consequence across the following dimensions:

- For **likelihood**, Ansell's business plans typically consider a three-year time horizon. For consideration of climate impacts and other emerging risks, this has been extended to a 10-to-30-year (to 2050) time horizon, to reflect the longer-term nature of these impacts and the nature of our business.
- **Consequence** includes consideration of the cost to the business, duration of impact, compliance implications or potential injury.

Sustainability risks including labour rights and climate-related risks are considered to be among significant risks to the business. A summary of Ansell's material business risks and mitigation actions are set out in our 2020 Annual Report.

Our Board, standing Committees and management are all involved in shaping and managing our approach to risk. The core elements of our risk management approach are:

- **Risk management framework** (outlined above)
- **Risk appetite statement**: defines both qualitatively and quantitatively (where relevant) the risk the business is willing to accept in pursuing our objectives.
- **Identification of material business risks**: our business risks are evaluated on an annual basis through workshops conducted with the Executive Leadership Team and reported to the Board via the Sustainability & Risk Committee.
- **Regular reporting** to the Audit & Compliance Committee and/or Sustainability & Risk Committee, and, as appropriate to the Board.

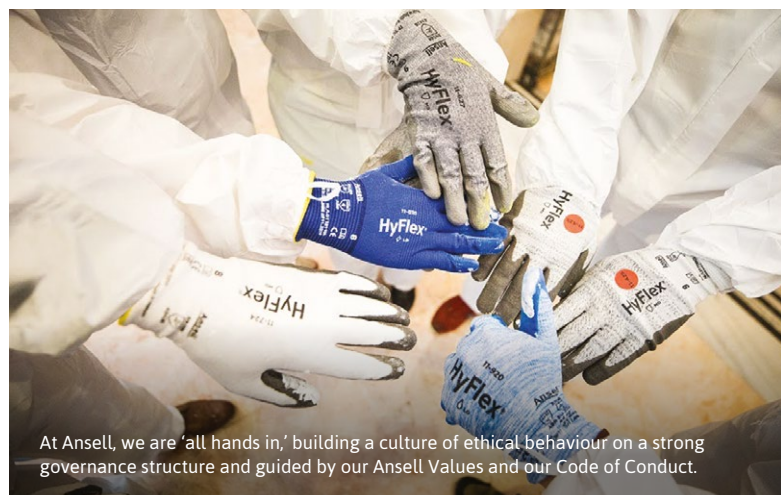
Further details of Ansell's Risk Management Framework are contained in our FY20 Corporate Governance Statement.

### Business ethics

Our Board and management lead by example to create and promote a workplace culture where upholding ethical principles and business conduct are expected and encouraged. We aim to achieve the highest legal, moral and ethical standards in all of our corporate activities.

This goal, and our eight core values, are embedded in our global employee Code of Conduct. The Code is available in 18 languages, and serves as a guide to ethical behaviour and business conduct for all employees, directors and management. Although our values and ethical expectations are timeless, we updated the Code in FY20 to keep pace with global developments, especially in the complex and evolving areas of data privacy and intellectual property. The Code also sets out our expectations on issues including corruption and bribery, conflicts of interest and social accountability.

Our Code of Conduct is our North star. Each Ansell employee and Board member must understand and adhere to the Code and strive to create a workplace environment where safety, fair play, and ethical business conduct are expected and encouraged behaviours.



At Ansell, we are 'all hands in,' building a culture of ethical behaviour on a strong governance structure and guided by our Ansell Values and our Code of Conduct.



# Governance continued

Our Values			
<b>Integrity</b>  We value doing what is right and ethical.	<b>Trustworthiness</b>  We value acting with respect, fairness and dependability.	<b>Agility</b>  We value responsiveness to customers and each other, openness to change and flexibility.	<b>Creativity</b>  We value inventiveness, innovation and new and original ways of thinking.
<b>Passion</b>  We value energy and excitement, commitment, drive and dedication.	<b>Involvement</b>  We value our team members' input, influence and initiative.	<b>Teamwork</b>  We value collaboration and a sense of partnership and sharing.	<b>Excellence</b>  We value a tenacious focus on results, accountability and goal achievement.

*These values were more important than ever this year, as we drew on them to guide our response to the COVID-19 pandemic.*

Our professional-level employees and the Board undertake training on the Code of Conduct every second year, with other compliance training completed in alternate years. While COVID-19 disrupted our planned training in March 2020, we launched an online course in July 2020. At the time of publication, ninety-five per cent of professional employees and all Board members have completed this training. All of our employees are able to report concerns and seek compliance advice through several avenues, including our 24-hour, independent compliance hotline.



Helping managers integrate ethics into their everyday operations is the objective of a new Culture of Ethical Decision-Making training program.

In early FY20, Ansell launched a new Culture of Ethical Decision-Making training program, starting with over 200 professional employees at Ansell's manufacturing facilities in Sri Lanka. The objective was to help plant leaders to incorporate ethical decision-making into everyday operations, adding an ethical component to their usual operational and efficiency considerations. The training aimed to help employees make a connection to the Code of Conduct and Ansell's corporate strategy and value proposition and included some training on human rights. COVID-19 delayed the expansion of the training to other Asia Pacific sites, but we are investigating moving the program online in FY21.

## Cyber security

The security of our intellectual property and employee and stakeholder data is core to our business. Protecting this data and upholding the integrity of our information technology (IT) platforms are essential in maintaining our ability to effectively service our customers. Like many modern businesses, Ansell is exposed to risk of cyber security attacks. Ansell has an active cyber risk management program which includes testing the vulnerability of our IT systems to attacks and ongoing training for our employees on cyber fraud. In FY20, Ansell strengthened its cyber security program, completing an incident response simulation with senior leadership. In FY21, we will continue with focus across new security domains that have appeared as a result of COVID-19.

# Sustainability governance

## Our perspective

Over recent years, we have transformed the way in which sustainability is incorporated into our business practices across the organisation. Our approach is underpinned by sound corporate governance practices and is driven by a belief that changing global, social and environmental factors requires a re-examining of the way business is done – both within our industry and across the global economy.

Ansell's Board oversees our approach to sustainability, with the Board's Sustainability and Risk Committee (SRC) assisting with governance, monitoring and providing advice to the Board.

As part of the SRC's responsibility, it oversees human rights (including safety), environment (including climate) and community matters. Some elements of sustainability governance, such as our approach to the Task Force on Climate-related Financial Disclosures, are also supported by the Audit & Compliance Committee (ACC).

### Governance of sustainability risks and opportunities

#### Board oversight of sustainability risks and opportunities

##### Ansell Board of Directors

Responsible for the oversight and review of the management, administration and overall governance of the Company, including: the protection of shareholders' interests, authorising policies and overseeing the strategic direction of the Company; establishing goals for management and monitoring the achievement of these goals; and engaging, reviewing and replacing the Chief Executive Officer.

##### Sustainability & Risk Committee

The Committee assists the Board in fulfilling its corporate governance responsibilities by:

- Reviewing the design and implementation of the Company's risk management strategy.
- Advising on the management of material business risks.
- Reviewing sustainability objectives, strategies and targets.
- Establishing appropriate sustainability and corporate social responsibility standards, policies and programs.
- Reviewing the operation and effectiveness of Ansell's corporate social responsibility and sustainability policies and programs.

##### Audit & Compliance Committee

The Committee assists the Board in fulfilling its corporate governance responsibilities by:

- Overseeing matters related to financial accounting, financial reporting, internal control systems and financial and tax risk management practices.
- Monitoring the processes which are undertaken by management and auditors.
- Ensuring the Company meets all of its financial and corporate governance obligations and requirements.
- Providing the Board with recommendations on adoption of policies and procedures for financial risk oversight.
- Monitoring management's proposed activities and disclosures in alignment with the TCFD framework.

#### Management's role in assessing and managing sustainability risks and opportunities

##### CSR & Sustainability Council

The Council is responsible for the development of Ansell's strategic approach to sustainability risks and opportunities. The Council encompasses senior leaders from areas including Compliance, Human Resources, Investor Relations, Law, Sales, Operations, and Employee Health & Safety functions.

## Sustainability governance continued

Both Committees are comprised of five non-executive directors, whom the Board has determined have the appropriate skill, business experience and acumen to be effective. Both Committees meet at least four times annually, with additional meetings and training scheduled as frequently as required. The Committees regularly report and make recommendations to the Board.

All Board members are standing invitees to the SRC and ACC and in practice all Board members commonly attend SRC and ACC meetings. All Committee papers and minutes are available for inspection by any director of the Company on request.

The SRC is supported by our executive-level Corporate Social Responsibility and Sustainability Council (the 'Council'). The Council is responsible for the development and operational implementation of Ansell's strategic approach to sustainability-related risks and opportunities. Chaired by Ansell's General Counsel, the Council draws on four working groups:

- stakeholder response and communications
- safety, human rights and communities
- environment and climate
- reporting, standards and governance.

The Council provides regular updates to the CEO, the broader Executive Leadership Team and the Board. We are currently reviewing the structure and functions of the Council, to ensure our governance of sustainability is as effective as possible.

Sustainability is embedded within the organisation and is not a standalone function. The General Counsel is responsible for coordinating the management of sustainability. The Senior Vice President of Operations and Global Supply Chain leads our work

on environment, health and safety, and responsible supply chains. The Chief Human Resources Officer leads our work with respect to our people.

To measure progress at the management level, the status of management actions related to our sustainability goals is presented during Executive Leadership Team meetings. Similarly, the Board reviews the organisations' performance against our environmental and social targets as well as the potential impacts on any upcoming investments.

These Board and management functions are supported by a comprehensive set of policies which outline our expectations for the management of a range of sustainability issues:

- Ansell Code of Conduct
- Anti-Bribery & Corruption Policy
- Whistleblower Policy
- Environmental policy
- Human Rights Statement
- Corporate Social Responsibility Statement
- Labour Standards Policy
- Supplier Code of Conduct
- Diversity and Inclusion Policy
- 5-Point Safety Charter
- Communication of EHS and Risk Management Incidents
- Conflict Minerals Policy
- Quality Statement Policy
- Safety and Loss Control Policy



# Our supply chain and business continuity

## Our perspective

As a global company, Ansell procures goods and services from more than 1,000 tier 1 (direct) suppliers in more than 25 countries. The following map displays some of our top tier 1 sourcing countries by expenditure and some of the key product categories sourced from each of these locations.<sup>1</sup>



Ansell's global operations can be seen on pages 4–5. Our most significant manufacturing facilities are in Malaysia and Sri Lanka. We also have manufacturing facilities in Brazil, China, Lithuania, Portugal, Thailand and Vietnam and a site in Russia under development.

During FY20, we procured goods and services across a wide range of categories. The table below sets out some of the categories that typically make up our largest categories of spend.<sup>2</sup>

<b>Healthcare supplies</b>	Includes finished goods for resale, such as single-use gloves and masks
<b>Textiles</b>	Such as cotton, nylon and polyester yarn, knitted and dyed fabrics, elastic and zippers
<b>Chemicals</b>	A wide range of chemicals used in the manufacturing of our products, including the petro-chemicals including nitrile, polyisoprene and neoprene
<b>Forest products</b>	Predominantly raw materials such as woodchips and natural rubber latex
<b>Packaging materials</b>	Includes packaging material made of natural wood products such as pallets, boxes, and paper, as well as plastic components such as polybags and shrink film

Our suppliers are critical partners in our success, and disruptions to our supply chain are a key risk for our business. It is in the nature of our business that there can be sudden surges in demand driven by disasters or epidemics, and that when these occur, the provision of our goods may be critical to the health of large numbers of people. Our experience under COVID-19 has underscored the value of having robust business continuity plans, including measures to ensure continuity of supply of our key inputs.

1. Key product categories are those set out in the map on this page and are those categories which typically make up our largest overall spend.

2. Not all example products and services in each product category detailed on this map will be procured from each sourcing location.



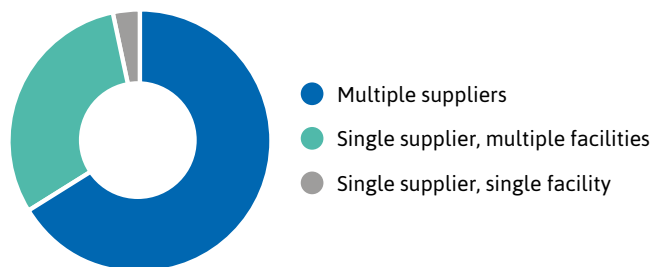
## Our supply chain and business continuity continued

Ansell's procurement is conducted through three channels:

- the Global Sourcing team, which manages most of our critical suppliers, as determined by expenditure or by business reliance
- corporate hubs
- individual manufacturing plants and offices.

We monitor a range of criteria in our suppliers, including quality, timeliness and price, as well as sustainability criteria for suppliers contracted through Global Sourcing. We also consider suppliers' ability to partner with us to bring innovation, technology, and new product development.

Our Global Sourcing team segment our supply chain according to the concentration risk exposure.



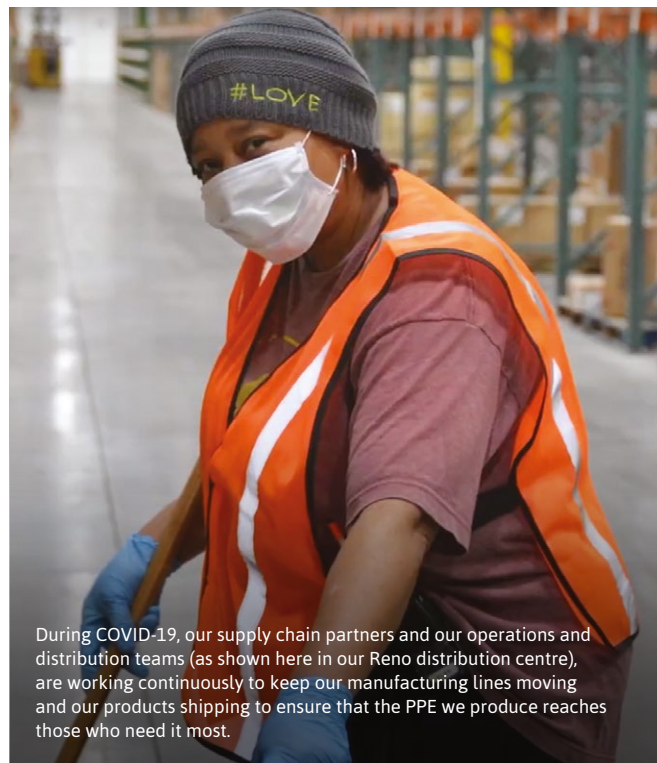
Wherever possible we aim to have multiple suppliers for each input. Where we have significant single suppliers, we put in place formalised business continuity plans that assess risk exposures, lead time to respond in the event of issues, and the capacity of alternative sites.

Of our critical suppliers, our single supplier, single facility exposure is limited to a few highly specialised inputs. We are constantly looking for alternative options for these, including re-engineering processes to avoid the need for that input.

While our business continuity plans were formerly focused on disruption to one location, the learning from COVID-19 was managing multiple disruptions worldwide. However, our business continuity planning served us well, such that impacts to our supply chain were minimised.

We also saw some critical suppliers take advantage of the crisis to raise prices unjustifiably. This does not align with our expectations of supplier ethics, and will be re-evaluating our business relationships with these suppliers moving forward.

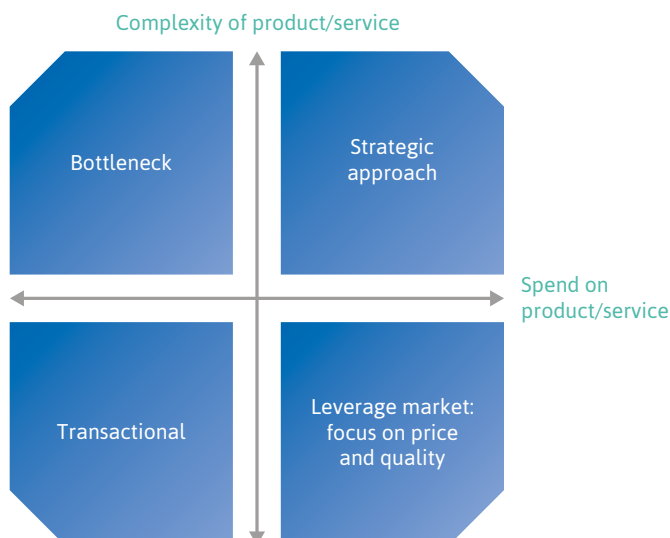
You can read more about how we manage social and environmental impacts in our supply on pages 24–25 & 43.



During COVID-19, our supply chain partners and our operations and distribution teams (as shown here in our Reno distribution centre), are working continuously to keep our manufacturing lines moving and our products shipping to ensure that the PPE we produce reaches those who need it most.

### Looking ahead

We are in the process of further consolidating our procurement function and developing a more strategic approach to global procurement. By segmenting suppliers according to product/service categories, and by complexity and spend, we can tailor our relationship accordingly, and develop more strategic, long-term alliances where beneficial. This will enable deeper supplier engagement and consequently greater influence over factors including management of social and environmental impacts.



# Quality protection solutions and innovation

## Our perspective

The Ansell brand stands for safety. Our end users trust in the quality of our products to protect them from harm, and their needs are constantly evolving. We pursue an ambitious innovation program, with the aim to not only meet these needs but to anticipate them, closely monitoring evolving trends to understand future needs. At the same time, we aim to constantly improve the comfort and fit of our products, providing the quality products and solutions our brand is known for.

Our industry is also evolving, and we must stay alert to potential disruptions from new entrants or new technologies that could change our products, our methods of production, and our raw materials.

Ansell's world class engineering capability, advanced materials science, and innovation program enable us to consistently provide high quality products, and are key differentiators for our business. We have a global engineering team, and ten research and development facilities worldwide.

Our research and development takes a long-term perspective. Our products may be in the market for 5-10 years, so it's important that we think about their overall impacts over that time. For our medical products, innovations need to go through sometimes lengthy approvals processes to ensure they meet the regulatory requirements of different countries.

As well as providing our customers with high-quality products, we also design and deliver solutions such as our proprietary tools, AnsellGUARDIAN™ and CHEMICAL GUARDIAN™. AnsellGUARDIAN™ helps companies select the right personal protective equipment solution to improve their safety, productivity and cost performance. CHEMICAL GUARDIAN™ has been specifically designed to support customers in making informed decisions on safety solutions in chemical environments.

Ansell's approach to pursuing quality is set out in our Quality Statement. We aim to deliver customer satisfaction through timely delivery of world-class products and services, and by continually finessing our designs in line with systematic review processes and customer feedback. We maintain an effective quality management system by drawing on a risk-based approach and through ongoing review of our performance against our internal specifications and standards across all stages of the product lifecycle.

### Innovation awards

For the past eight years, we have run an internal Innovation Awards program to recognise and reward employees who bring exciting new ideas to life at Ansell. The program is open to all employees below VP level and winning teams share cash rewards up to a US\$50K Platinum award.

The program is structured around six innovation categories:

- Business process
- Commercial
- Manufacturing
- Product
- Quality
- Sustainability

This year, the program introduced a new category for Sustainability, recognising its increasingly integral role in our business. We have also opened the awards to include innovative projects and solutions developed specifically in response to the COVID-19 crisis.

## Our performance

During FY20, Ansell began partnerships with two companies (ProGlove and Modjoul) that are applying the Internet of Things (IoT) to safety. Together, we can deliver safety solutions for the digital age. With ProGlove, a leading provider of industrial wearables, we can offer digital assistance for choosing the right protective equipment while providing assurance for managers that tasks are being properly executed using appropriate safety equipment. With Modjoul, we are developing hand protection solutions that address motion-ergonomics. By combining smart PPE with embedded sensors, data analytics and artificial intelligence, we can better prevent hand and wrist muscular-skeletal diseases and other common avoidable workplace injuries.

COVID-19 has accelerated innovation, particularly in leveraging digital technologies. For example, where our AnsellGUARDIAN™ teams would typically go to customer facilities to assess safety needs and recommend solutions, these visits have been effectively conducted virtually.

### Digital innovation at our R&D facility

This year, our United Kingdom research and development (R&D) facility relocated to Willerby, in Yorkshire, with significantly enhanced capabilities for material analysis and chemical permeation testing.

The new facility responded to the challenges of COVID-19 by developing a virtual tour of the facility. The tour was designed principally for our customers, as an evolution of the physical tours we have historically done. These allow us to better partner with our customers to develop solutions for their needs and to demonstrate our expertise. The tour equipment has also helped us to support staff members working remotely, and holds the prospect of enabling stronger collaboration and harmonisation among our R&D facilities globally.

## Looking ahead

Our innovation plans are focused on continuing to anticipate and meet our customers' evolving needs, while providing the high quality protection solutions we are known for and minimising the environmental footprint of our products. See pages 44–45 for more information on our approach to product stewardship.

# Labour rights

## Our perspective

Respecting and protecting the rights of workers in our operations and supply chains is one of our ethical obligations – and is good business.

With over 13,000 staff in diverse locations around the world, effectively adhering to labour standards is essential in enabling us to recruit and retain the capable workforce we need to deliver high quality products to our customers. Within our supply chains, we manage labour rights with the view both to upholding human rights and minimising risks to security of supply and product quality.

Regrettably, our industry has sometimes failed to protect the rights of workers fully. This is an issue of critical concern for our stakeholders and for us. The underlying issues are complex, but we are working steadfastly to improve how labour rights are managed in our own operations, in our supply chain, and in the industry more broadly.

Over the last five years, we have undergone a significant evolution in our management of labour rights in our operations and supply chain. We have become more proactive, strategic and deliberate in our approach. We recognise that managing labour rights will always be part of our business, as a result of both the inherent challenges of the countries in which we operate, and the nature of labour rights themselves.

Our approach to managing labour rights is guided by:

- a robust set of policies, including a clear commitment to protecting labour rights
- proactive monitoring and regular reporting of conformance
- oversight from our Executive Leadership Team and the Board (supported by the Sustainability & Risk Committee)
- continuously updating and improving our approach.

We believe that setting clear expectations of management, our employees and our suppliers is the first step to ensuring the protection of labour rights. This year, we updated our Labour Standards Policy, Human Rights Statement and Supplier Code of Conduct (released August 2020). Our expectations for performance on labour rights are set out in these and other policies, and are summarised below.

### Our expectations for labour rights in our operations and supply chain

<b>Child labour</b>	No child labour. The term 'child' refers to a person under the age of 18.
<b>Forced or compulsory labour</b>	<p>A zero-recruitment fee policy – meaning employees do not pay recruitment fees or other fees related to their employment.</p> <p>We do not tolerate and will not engage in or support the use of forced or compulsory labour, or bonded or involuntary prison labour, and do not deprive workers of their freedom.</p> <p>Employees are not required to surrender any government-issued identification as a condition of employment.</p>

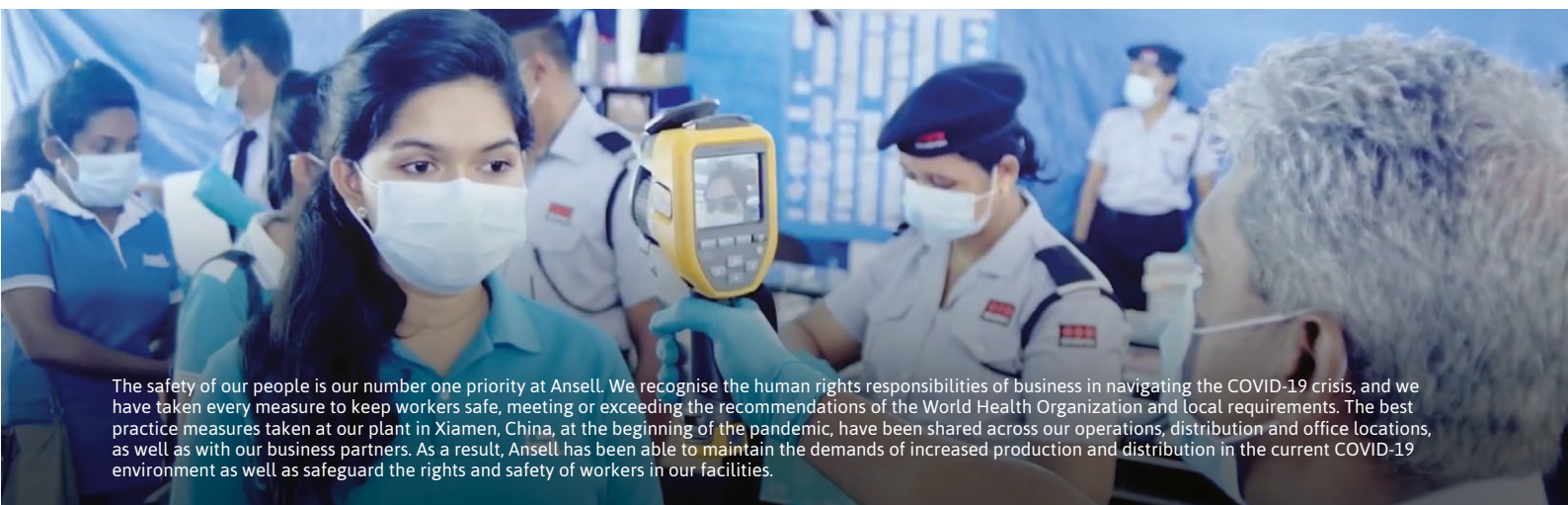
<b>Freedom of association and collective bargaining</b>	Employees have the right to join or form trade unions of their own choosing and to bargain collectively without fear of retaliation.
<b>Working hours and remuneration</b>	Compliance with all applicable local laws, regulations and labour standards, including those relating to minimum wages, overtime, maximum work hours and rest days.
<b>Fair and just employment</b>	All workers are provided with a contract of employment detailing their rights in a language that they understand, preferably in their native language.

Ansell's Board takes ultimate responsibility for Ansell's governance of labour rights and modern slavery, supported by the Sustainability & Risk Committee. Our human resources and operations teams report quarterly to the Sustainability & Risk Committee on the performance of some of our critical suppliers and manufacturing plants.

In FY20, we engaged a third party to conduct a review of the structure, function and efficacy of our approach to managing labour rights, with an emphasis on the systems in place to manage risks of modern slavery. The review identified several strengths and opportunities for improvement:

Strengths of our current approach	Opportunities for improvement
<ul style="list-style-type: none"> <li>• A strong commitment to preventing and combatting modern slavery.</li> <li>• Good systems to monitor and track labour rights performance in our manufacturing operations.</li> <li>• Regular auditing of our Asian manufacturing plants.</li> </ul>	<ul style="list-style-type: none"> <li>• Better developing our systems for identifying and assessing risk.</li> <li>• Formalising and extending our work to manage and mitigate risk across our supply chain management channels.</li> <li>• Taking a more risk-based approach to due diligence through development of a risk-based supplier management framework.</li> </ul>





The safety of our people is our number one priority at Ansell. We recognise the human rights responsibilities of business in navigating the COVID-19 crisis, and we have taken every measure to keep workers safe, meeting or exceeding the recommendations of the World Health Organization and local requirements. The best practice measures taken at our plant in Xiamen, China, at the beginning of the pandemic, have been shared across our operations, distribution and office locations, as well as with our business partners. As a result, Ansell has been able to maintain the demands of increased production and distribution in the current COVID-19 environment as well as safeguard the rights and safety of workers in our facilities.

To support this work, we conducted a detailed risk assessment to identify areas of our operations and supply chains with the greatest inherent risk exposure to modern slavery. For an overview of our supply chain, see page 19. In our operations, we identified that the majority of our operations have a low to medium-low inherent risk of modern slavery.<sup>1</sup> Our highest inherent risks sites are our manufacturing plants in South East Asia, China and Brazil, and to a lesser extent our Latin American distribution sites in Colombia and Mexico.

In our supply chains, our greatest inherent risk exposure is in product and country combinations set out below.<sup>1</sup> Note these countries reflect the location of higher risk tier 1 suppliers (that we buy from directly) and may not reflect the locations of suppliers further upstream. In the longer term, we plan to deepen our understanding of our key tier 2 suppliers (that our tier 1 suppliers buy from), with a focus on suppliers associated with higher risk raw materials such as textiles, forest products (including rubber) and minerals.

Products	High-risk source countries
Textiles such as fabric, yarn, liners, labels, cut and sew and dipping	Mexico, Thailand, Vietnam, Pakistan, India, Malaysia, China, Indonesia
Forest products such as natural rubber latex and woodchips	Thailand, China, Malaysia
Minerals such as salt and stone	Thailand
Healthcare finished goods, such as disposable gloves, masks and PPE	Thailand, Vietnam, China, Indonesia, Malaysia

The outcomes of this risk assessment will be used to guide the development of our risk-based supplier management framework and our forward plans to audit and apply any additional controls in our operations and supply chains. Additional detail on the results of this risk assessment are set out in our FY20 Modern Slavery Statement (to be released by the end of October 2020).

1. This risk assessment covered our active operational sites and the majority of our tier 1 supply chains. It did not include all sourcing conducted by our corporate offices or plants.

## Managing labour rights in our operations

We manage and protect labour rights for all employees in our organisation through compliance with employment law; processes to identify and monitor issues; and by providing employees with access to grievance mechanisms. We are particularly focused on managing compliance with local laws on overtime and rest days at our manufacturing operations where compliance has historically been a challenge. Ansell monitors employee working hours, overtime and rest days to assess compliance with local laws and our own policies. This monitoring is conducted both internally and through third-party audits.

We have seen a continual improvement in compliance to local laws on both overtime and rest days in the last couple of years. At the time of reporting, Ansell was compliant with local laws at all of our manufacturing plants.

Many of our manufacturing workers actively seek to extend their work hours, particularly migrant workers coming from situations of extreme poverty, who are aiming to maximise their earnings during their time away from home. This is a key interest expressed by these stakeholders, and constraining overtime can lead to our workers moving to other companies that do not comply with overtime regulations.

Our approach is to offer competitive compensation and an attractive and safe work environment to attract and retain workers. Additional information on our recruitment and employee engagement initiatives are set out on pages 29–30.

Some of our products are sold in a highly commodified, price-sensitive market, in which we compete with unbranded goods from companies that do not uphold the same standards as Ansell. Addressing these underlying issues effectively will require collaboration across the industry, including communication with our customers and end users. As a leading brand in this industry, and in line with our values, we are seeking to lead this collaboration and actively seek opportunities for systemic change.



## Labour rights continued

Across our manufacturing locations, we monitor employee attendance using digital tools such as card and finger scanners. Using this data, we track labour rights performance across metrics including hours worked, overtime and rest days. Tracking these metrics enables us to proactively monitor staffing needs, and to identify long-term trends in our operational performance.

In FY20 we conducted third-party audits over all 10 of our Asian manufacturing plants.



### Remediation of recruitment fees paid by workers in our operations

In FY20, our Executive Leadership Team made a decision to affirm our ethical recruitment commitment by retrospectively reimbursing recruitment fees that had been paid by some of our migrant workers to home country agents during their recruitment period. In developing our remediation plan, we engaged with affected workers and Our Journey to develop a fair and consistent approach. Our Journey is an independent non-governmental organisation that is the implementation partner of the Ethical Trading Initiative (ETI) for its Access to Remedy programme in Malaysia<sup>1</sup>. The first round of payments were made in September 2020, with the remaining payments to be made in January 2021.

Ansell has a zero-recruitment fee policy and hires migrant workers only through vetted recruitment agents who have signed a contract with us to uphold ethical recruitment standards. To monitor the effectiveness of these controls, we engage with migrant workers to determine whether they have been asked to pay fees. Through conversations with our suppliers and others in the industry, we aim to foster progressive ethical recruitment policy implementation. Additional detail on the remediation process will be set out in our FY20 Modern Slavery Statement.



Representatives from the governments of Bangladesh, Nepal, Indonesia & Myanmar meeting with Ansell leaders at the Company's Shah Alam plant in Malaysia to sign documents formalising the Company's reimbursement of migrant workers.

### Managing labour rights in our supply chains

A description of our supply chain can be found on page 19. To date, our approach to managing labour rights in our supply chain has been focused on suppliers contracted through our Global Sourcing team. These are typically our critical tier 1 suppliers and the suppliers with whom we have greatest expenditure. All these suppliers are expected to uphold the labour rights standards set out in our Supplier Code of Conduct.

In the coming years, we will look to implement an extended risk-based due diligence approach that will seek to proactively monitor our broader supply chain.

#### Global sourcing supplier selection and pre-qualification

We assess labour rights risks in selecting new global sourcing suppliers through several mechanisms including:

- use of a supplier evaluation form which includes questions on labour rights
- technical on-site quality audits for many suppliers, which include consideration of labour rights issues
- use of third-party audits for Healthcare Global Business Unit (HGBU) suppliers prior to on-boarding.

#### Global sourcing supplier performance monitoring

We monitor the performance of our global sourcing suppliers on an ongoing basis, through a range of tools and systems, noting that not all of these suppliers are subject to the same controls. We utilise controls including:

- frequent discussions with our major suppliers on issues including labour rights
- quarterly or half-yearly supplier performance reviews, which include consideration of performance against labour standards
- third-party audits against Sedex Members Ethical Trade Audit (SMETA) and Business Social Compliance Initiative (BSCI) frameworks (however these were impeded during FY20 by COVID-19)
- processes to review audit reports, monitor non-conformances and completion of corrective actions arising from third-party audits
- monitoring some suppliers using a supplier risk matrix, which tracks suppliers' performance across a range of metrics including labour standards.

There have been concerning allegations this year regarding the treatment of workers in the manufacturing plants of some of our finished goods suppliers in Malaysia. In line with recommendations of human rights experts, we prefer to work with suppliers to improve their practices to provide secure employment and improved conditions for the workers in our supply chain, rather than reactively cancelling supplier contracts in response to specific events or allegations. Accordingly, we have been engaging with these suppliers on how to improve their approach and are closely monitoring their performance through regular discussions. Our approach to date has included auditing these suppliers every two years against the SMETA/BSCI standards and actively monitoring the close-out of any non-conformances identified. As part of our new approach to supplier management, we will be requiring more regular audits of high-risk suppliers.

1. Correction made on 1 December 2020. Ansell engaged with Our Journey, the implementation partner of ETI; it did not engage ETI directly.

While third-party ethical audits are an important component of our due diligence approach, we recognise the limitations of auditing in comprehensively detecting exploitation. In FY21, we will look to supplement our third-party audit program with additional due diligence measures. The diversification and expansion of our due diligence program will continue to be a core focus beyond FY21 through the development of our supplier management framework.

These are complex and systemic issues that will take time and multi-party collaboration to fully address, and we are proactive participants in that change. In the most extreme circumstances, where a supplier is found to not complete its corrective actions and not work toward improvement in good faith, we may terminate the relationship. Additional detail on these issues is presented in our FY20 Modern Slavery Statement to be released by the end of October 2020 and available on our website.

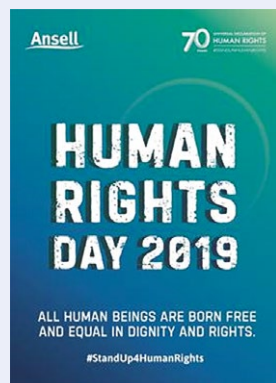
## Our performance

In FY20, follow-up independent third-party audits were conducted at all 10 of our Asian manufacturing plants. Through these audits and our internal monitoring processes, we have seen continual improvement in performance relating to labour rights in all sites audited to date.

Over the course of FY20, independent third-party audits were conducted over the sites of selected suppliers managed by our global sourcing team. This program of audits was complemented by our broader global sourcing supplier performance monitoring program, including second-party quality audits, communication with suppliers and broader supplier performance reviews.

### Human Rights Day

Human Rights Day is observed each year in countries around the world during the week of December 10. Commemorating the day in 1948 when the United Nations General Assembly adopted the Universal Declaration of Human Rights, Human Rights Day is celebrated at all Ansell locations.



### Impact of COVID-19 on our efforts to monitor labour rights

COVID-19 has heightened labour rights risks at the same time as constraining the ability to conduct audits.

Within our own operations, the pandemic prevented us from conducting audits over our Brazilian, Portuguese and Lithuanian sites as planned in FY20.

A number of our planned audits over suppliers were affected by the pandemic. Over this period, we engaged with major suppliers to ensure the continuation of discussions on any outstanding and emerging labour rights issues. Audits will be conducted as a matter of priority, subject to any further COVID-19 restrictions. We will continue to evaluate tools developed by our partners including SEDEX and local governments to manage the impact of COVID-19 on workers in our operations and supply chain.

We also took steps to minimise pressure on our plants and suppliers working to meet increased demand for our products. In our own operations, we hired additional staff to work in our healthcare manufacturing sites, and in our supply chains, we entered into supply agreements with additional suppliers.

### Looking ahead

In FY21 we will begin work on a supplier management framework which will assist the business in moving to a risk-based due diligence framework. This will allow us to target our approach and to invest most heavily in monitoring the performance of those suppliers assessed to have a higher risk for labour violations.

Within our own operations, we will continue to monitor our manufacturing plants performance on compliance with stipulated rest days and overtime hours. In FY21 we will extend the scope of our audit program to include our Lithuanian, Brazilian, Portuguese and Russian manufacturing sites and Colombian and Mexican distribution sites.

Our FY20 Modern Slavery Statement (to be released by the end of October 2020) will set out our commitments and additional detail on our forward program of work on modern slavery and labour rights due diligence.

# Employee health and safety

## Our perspective

Safety is Ansell's core business, so it follows that safety within our own operations is an absolute priority for us. Our manufacturing sites pose a variety of hazards which we work constantly to identify and manage so that all our employees and contractors can go home safe every day. The same is equally true of our distribution centres and corporate offices. We are proud of our long history of best-in-class safety performance.

This year, as COVID-19 hit, we grappled with the need to ensure the safety of our employees at the same time as responding to sharply increased demand for our products.

Our approach to safety is set out in the Ansell 5-Point Safety Charter (the 'Charter'). The Charter outlines that safety is a core responsibility of every manager, that managers and all employees are required to undertake appropriate safety training, that monthly safety inspections take place at all facilities, and that all incidents are reported, including future preventive actions.

The Charter is supported by environmental, health and safety (EHS) policies which apply to all our operations globally. Ansell's 'Core Standards' establish the framework of our EHS management system, and cover all employees and contractors. The Core Standards cover 19 common aspects of risk management, and are a continuous improvement system, designed to guide our sites in developing and improving EHS systems, policies, procedures and practices. All sites – whether manufacturing, distribution centre, research and development facility or office – are expected to follow the Standards, and progress is supported by periodic assessments and regular progress reporting.

The Ansell Core Standards articulate what is required, but allow variation in how they are achieved, to accommodate the different regulatory environments, cultures, hazards and preventive measures that are specific of each work site.

Ansell's facilities are regularly audited by Ansell's corporate EHS team. These audits include an assessment of physical hazards, high-risk tasks and any relevant standard operating procedures, employee training and wellness, and environmental stewardship, in addition to evaluation against the Core Standards. We aim to audit manufacturing sites annually, and distribution centres and offices every two years. These in-depth audits, which typically take place over one or two weeks at each site, assess compliance with relevant Standards against a four-point scale. Importantly, these audits provide an opportunity for our EHS specialists to understand the issues relevant to each site, and to support local teams in better managing risks.

Safe work procedures are developed for individual tasks, based on a hazard assessment, and are actively communicated to workers. With a large number of workers, including new workers and contractors joining almost daily, constant communication of safe work procedures is critical. All new employees and contractors are expected to undertake induction and training in health and safety before commencing work with Ansell.

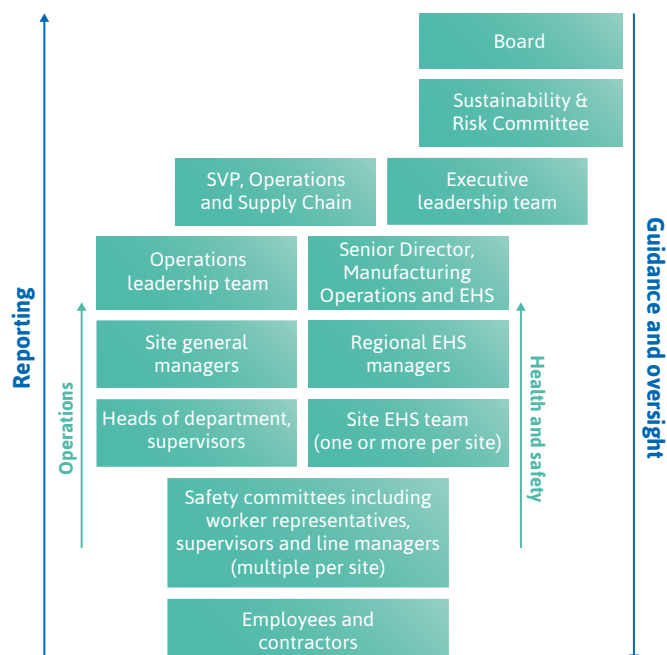
Contractor safety has been identified as a critical risk for Ansell, and we have a focus on ensuring that contractors follow the same safety standards as our own employees.

Given the diversity of our workforce, we provide induction documents and critical safety information in multiple languages. We have multilingual human resources teams and translators to assist all workers to understand workplace requirements. A key component of all training is to test that the content has been properly understood.

In recent years we introduced a behaviour-based safety program, which uses real-life observations from employees to identify risks and opportunities for improvement within their work sites. This program is focused on supervisors, enabling them to coach their teams. We are now working to further build staff knowledge and engagement through focus group discussions, which will also assess the maturity of their understanding of safety.

## Governance of health and safety

Health and safety is embedded in Ansell at all levels of the organisation from the shopfloor to the Board of Directors.





Our company-wide approach to health and safety reporting is guided by the US Occupational Safety and Health Administration (OSHA) and Australian regulatory requirements. We adhere to these standards globally, even where they exceed local regulatory requirements.

Our policy on communication of environment, health, safety and risk management incidents requires that all incidents (accidents and near misses) are appropriately responded to, investigated and documented, and that all serious incidents are immediately reported internally and, where required, to the appropriate authorities. In all cases, appropriate corrective and preventative actions must be established and implemented.

Each site reports monthly on leading and lagging indicators, including incidents/accidents, Core Standard progress, behaviour based safety activities, address of audit recommendations, status of high-risk survey activities and more. Our regional EHS managers monitor trends closely, so that issues are identified early and acted on. Consolidated regional reports are reviewed monthly by the Executive Leadership Team. Updates are also periodically provided to the Sustainability and Risk Committee and the full Board.



Throughout the COVID-19 crisis, our teams have worked together, and put forward a huge number of bottom-up suggestions for how to manage safety.

### Health and safety under COVID-19

In the earliest days of the COVID-19 outbreak, Ansell formed a global crisis team which supported the team at our Xiamen manufacturing plant in China to quickly implement extensive precautions to prevent the spread of the virus among our workforce. The best practices and safe operations developed in Xiamen have been leveraged across our manufacturing operations and shared with our suppliers.

The steps we took included:

- putting in place travel restrictions for all employees, and encouraging remote working wherever possible
- establishing social distancing and enhanced cleaning protocols in all operating facilities that remained open, and providing additional PPE for employees
- closely supervising the health of all workers and training teams to ask for help if they notice co-workers who may be showing signs of illness
- establishing paid leave for workers needing to self-isolate or care for relatives
- engaging with all major suppliers to ensure alignment on employee protection, and undertaking spot checks to ensure compliance.

Throughout the crisis, our teams have worked together, and put forward a huge number of bottom-up suggestions for how to manage safety.

We will continue to monitor evolving guidance from the World Health Organization (WHO) and Centers for Disease Control (CDC) regarding exposure prevention so we can ensure our employees are as protected as possible while the pandemic persists.



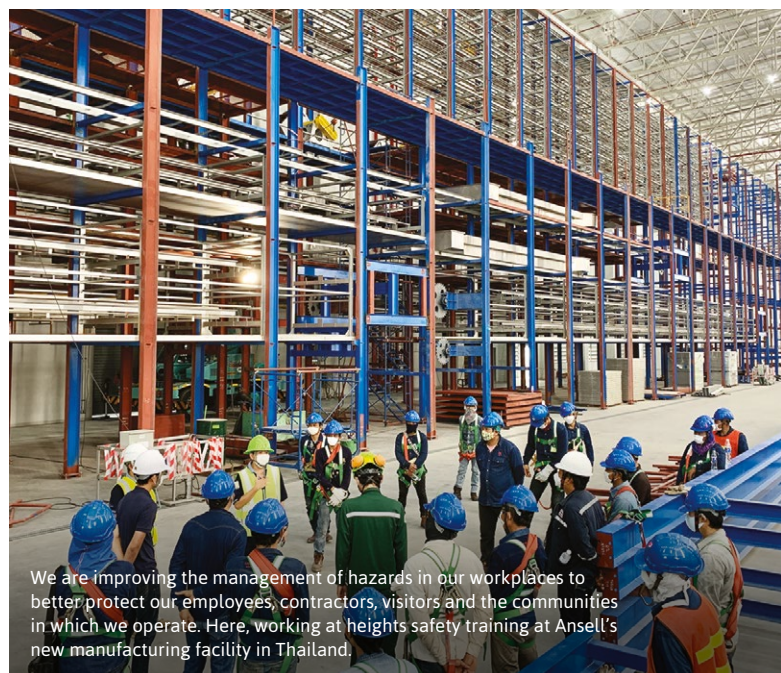
Ansell continues to maintain enhanced cleaning protocols at our offices, distribution and manufacturing facilities, disinfecting every surface where any risk may exist.



## Employee health and safety continued



Sophisticated thermal imaging cameras are used in our facilities to measure workers' skin surface temperatures while maintaining social distancing.



We are improving the management of hazards in our workplaces to better protect our employees, contractors, visitors and the communities in which we operate. Here, working at heights safety training at Ansell's new manufacturing facility in Thailand.

### Health and safety in our supply chain

We expect our suppliers to conform to the same high standards of health and safety that we set for ourselves. Our expectations are set out in our procurement agreement and Supplier Code of Conduct. Adherence is tested primarily via SMETA four-pillar audits, of which one pillar is health and safety.

### Health and wellbeing

As well as managing workplace hazards, we aim to positively support the health and wellbeing of our employees. From workplace ergonomics to fitness, nutrition and mental wellbeing, employees can find self-paced online courses and programs in Ansell University.

Maintaining a healthy lifestyle is key to a resilient workforce. Even while working from home during COVID-19, managers encourage their teams to eat well, rest and exercise to help manage stress and anxiety.

### Our performance

**Goal: Sustain the lowest injury rates in the industry, with a continued 10% reduction YOY in lost time injuries and medical treatment injuries.**

At the end of FY20, Ansell's LTI, was 0.081 cases/100 employees/year. The MTI frequency was 0.198 cases/100 employees/year. While we achieved more than a 10% reduction on MTIs from FY19 to FY20, we did not achieve our goal of a 10% reduction on LTIs. However, Ansell still continues to record injury rates

amongst the lowest of its global peers and best-in-class global corporations. Additional information on calculation methods and additional health and safety data, including Near Miss Frequency Rate, fatalities and Days Lost Frequency is set out on page 46.

Ansell's focus on safety is further demonstrated by safety being the highest rated dimension in our FY20 employee engagement survey, consistent with prior years. Of our colleagues surveyed, 92% agree with the statement 'Workplace safety and security are considered important here'. In addition, 83% of colleagues agree with the statement 'Ansell addresses safety issues quickly and effectively'.

### Looking ahead

As a supplement to our Core Standards, we are currently developing standard operating procedures for our ten highest risk activities, which will help to guide sites on our minimum requirements.

We will also be increasing our focus on leadership and worker engagement at sites, to help maintain a continuous focus on safety. We will be seeking to empower people at all levels with the knowledge and understanding to take ownership of safety.

Ansell is experienced in applying approaches such as Lean and Six Sigma to productivity improvements; we aim to leverage that expertise and apply it to our safety processes also.

We are moving towards a comprehensive supply chain engagement strategy that will enable us to better manage health and safety in our supply chain alongside other expectations such as labour rights and environmental performance.

# Employee engagement

## Our perspective

Employee engagement is the leading indicator of employees' commitment and connection to an organisation and a critical business success lever. High levels of engagement promote retention of talent, improve customer satisfaction and organisational performance, create safer workplaces, produce better quality products, and, ultimately, create value for shareholders.

Our employees are our most precious assets and our intent is to build an environment in which every employee thrives in their role, feels recognised for their individual contribution to our collective achievements, and can develop to their fullest potential. We are governed by a strong set of values, purpose and behaviours which help drive employee engagement and connectedness to the Company.

We have put in place a range of high-quality Human Resources, policies, processes and systems to create the right conditions and help drive employee experience led outcomes. These include our employee value proposition, the strength of our leadership, and the globally diverse communities we have built through the inclusive ways of working we demand. The Board, through the Human Resources Committee, is also involved in employee engagement activities, including the talent review process.

A highly engaged employee base creates a happy and highly productive workplace, and that is our objective across every part of our global organisation. We regularly measure how we are performing through our various engagement surveys as well as ongoing communications and pulse checks. It is critical for us to build an organisation that is agile, innovative, and adaptive to the ever-changing needs of our customers and the evolving business conditions in which we operate.

## Leadership Journey

Training today's employees to be tomorrow's leaders is a top priority at Ansell. Helping employees to discover and develop their leadership skills requires the support of a dedicated roadmap. In FY21, Ansell will roll out the updated and revised Leadership Journey, a comprehensive leadership curriculum. Anchored on Ansell's leadership behaviours, the Leadership Journey is an in-house training program for team leaders, supervisors and managers, delivered in-person and virtually. The Leadership Journey comprises three successive leadership programs, with fundamental training interspersed with coaching and giving and receiving feedback. Participating employees will acquire skills to enhance self-leadership, team leadership, and organisational leadership. This is part of our wider journey to build a learning and continuous improvement culture throughout the Company, whilst recognising the vital part that our leaders play in this journey.

## Global Supervisor Development Program

This extensive training demonstrates Ansell's commitment to the success of supervisors who serve as an important link between strategy and execution, and possess the potential for growth and development, leading toward becoming a great manager in the future. COVID-19 halted progress on our development program for supervisors in our manufacturing facilities. We will resume the schedule in FY21 in Melaka and Kedah, Malaysia, and expand into new geographies in China, Lithuania, Portugal, and Vietnam.



## Ansell University

On-demand e-learning enables employees to learn and develop whenever the time is right for them. In FY20, Ansell launched a new and improved Ansell University, which provides employees with greater access to more training and more relevant, expert-led content. Our expansive catalogue includes over 8,000 offerings, including several hundred custom Ansell courses.

Most of the courses are video-based and short in duration, consistent with today's learning requirements. New content focuses on areas such as wellbeing, working virtually, and leading virtual teams. The new Ansell University responds to the impact of COVID-19 by supporting more virtual training and relying less on in-person instruction.

In the six months since introducing the new Ansell University, colleagues have completed over 10,000 courses. Top courses include training on Ansell Quality Management System and Selling at a Distance.



## eCareer

eCareer was launched in FY17 and continues to provide single-source global recruitment for talent acquisition for all professional positions at Ansell. In FY20, the Human Resources talent acquisition team expanded their reach for new talent by integrating eCareer with job boards that intentionally seek diverse candidates, an essential component of Ansell's diversity and inclusion strategy.



# Employee engagement continued

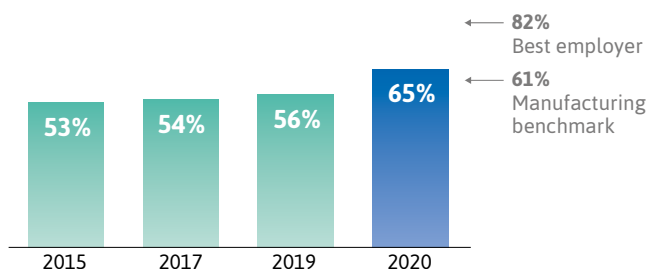
## Our performance

**Goal: Ensure that Ansell employee engagement scores approach best in class levels globally by the end of FY25.**

Ansell has conducted an all-employee engagement survey every two years since 2015. We conducted a global pulse survey this year to place a greater focus on our professional population's engagement and to gauge how employees viewed the Company's response to COVID-19.

The response was impressive. Over the past year, our engagement rose by nine points, from fifty-six per cent in 2019 to sixty-five per cent in 2020, as compared to global average. Historically, engagement levels of production workers at Ansell have been consistently higher than that of our professional employees and were improving at a faster pace; however, a nine-point jump in one year is a remarkable increase and a testament to leadership's commitment to make Ansell a better place to work.

### Employee engagement



The survey tells us that the increase in professional employee engagement is partially driven by improved leadership, our response to COVID-19, and the actions we took in response to prior engagement survey results. Three-quarters of professional employees believe that Ansell delivers on the promises it makes to its employees, has an excellent reputation among its community, and is a socially and environmentally responsible organisation.

After seeing steady but modest improvement in employee engagement for our professional employees over the past four years, the FY20 jump in professional employee engagement means that these employees now exceed the global manufacturing engagement benchmark (61%), but we have more work to do to achieve our aspiration to break through to the 'best employer' threshold (82%).

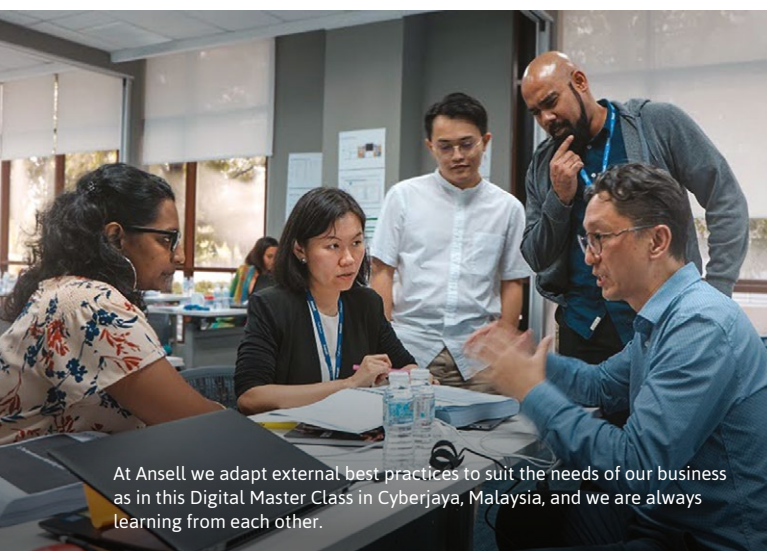
### Employee turnover

We aim to keep total turnover below 20% or less, which is below industry comparators as part of our focus on improving quality and productivity.



### Looking ahead

Our next all-employee global survey will take place in 2021. We will continue to listen to employees and take clear actions to accelerate towards our goal of meeting the 'best employer' benchmark. Priority areas of focus include improving our decision-making processes, collaborating across the organisation, and ensuring that we communicate clearly and regularly with all of our workforce in our new COVID-19 reality.



At Ansell we adapt external best practices to suit the needs of our business as in this Digital Master Class in Cyberjaya, Malaysia, and we are always learning from each other.



# Diversity and inclusion

## Our perspective

We know that innovation drives our business forward. We also know that breakthrough ideas happen when diverse and inclusive teams collaborate, enabled by their different perspectives.

Ansell is a truly global company, and wherever we operate, and across every part of our business, we seek to create an environment that embraces diversity and fosters inclusion. We believe that valuing diversity and being inclusive is a differentiator that will enable us to deliver competitive business advantage to our customers, our workforce, and our shareholders.

In FY20, our Executive Leadership Team and the Board approved a new Diversity and Inclusion Policy and Plan. We are now in the process of implementing these, with a focus on valuing our differences and building an inclusive environment for all employees. The truly global footprint of Ansell is reflected in our workforce and we celebrate diversity at all levels, and we seek to harness these differences through how we make everyone feel included and valued.



## Women's Leadership Forum

The Women's Leadership Forum was launched at Ansell in FY15 to connect and support women at Ansell through awareness, relationship-building, and career development. With self-directing regional groups and one centralised, global steering committee, the WLF has invited external women leaders to share their stories and lessons learned, and organised International Women's Day celebrations across the Company. In FY21, the Women's Leadership Forum will take on a broader inclusion focus.



## International Women's Day

An equal world is an enabled world. That was the International Women's Day message that rang out across the Ansell world on March 8, 2020, as Ansell employees responded to the question, 'How will you help forge a gender equal world?'



An equal world is an enabled world. International Women's Day 2020 at our commercial office in Mumbai, India. #EachforEqual

On International Women's Day, we recognised women across Ansell for their contributions to the business. Each member of the Executive Leadership Team participated in an event tied to International Women's Day at the Ansell site where they were working that day.

## Our performance

**Goal: Achieve 30% women at Director level and above; 40% at Manager through Associate Director, and 50% women at the Board level, by the end of FY22.**

In FY19, Ansell achieved an even gender balance on its Board of Directors. In FY20, the appointment of a new director resulted in a slight downwards shift to a 44%/56% Board gender balance. However, there is still an even gender balance in respect to the Board's Non-Executive Directors. Currently we are on track to meet our goal, but our intent is to go further.



**Non-Executive Directors (Board)**  
50%



**Executive Leadership (Director level and above)**  
28%



**Management (Manager through Associate Director)**  
35%



## Diversity and inclusion continued



Ansell is building a diverse and inclusive culture that activates every employees' potential and impacts business success. Here, teams in Brazil and Portugal celebrate project milestones.

### Cultural Diversity



#### Cultural diversity of Ansell employees at Manager level and above.

1. US Resident: Country of origin data of US resident population is not currently available.
2. Other (each <2%): German, Brazilian, Portuguese, Canadian, Vietnamese, Polish, Italian, Dutch, Japanese, Swedish, Lithuanian, Spanish, Korean, Turkish, Egyptian, Irish, Colombian, Czech, Danish, Greek, Lebanese, Romanian, Singaporean, South African, Chilean, Croatian, Filipino, Indonesian, Norwegian, Pakistani, Peruvian, Swiss, Tunisian, Ukrainian.

### Looking ahead

We have defined a clear path of action on diversity and inclusion. In FY21, we will:

- create greater awareness and capability through communications and training
- review our sourcing and recruitment efforts to better reach and attract a diverse pool of candidates
- embed diversity and inclusion into people processes such as onboarding and talent development
- leverage data analytics to monitor our progress and identify opportunities
- further leverage our employee base through employee forums such as our Employee Networks, and
- look to broaden these networks to reflect our broader intent.

Ansell's view of diversity is being broadened to include all of its dimensions, and we will initiate efforts to define, develop and reinforce inclusive behaviours, ensuring an inclusive work environment for all colleagues.

We also plan to define a global, flexible work policy that will provide employees with greater ability to work outside of traditional hours and during the times that are most convenient for them or when they feel they can be most productive. Ansell has been exploring flexible work schedules at the global level, even before the COVID-19 pandemic, allowing employees to work where and when they choose. This is in response to feedback received from our employees on our Back to Better plans for a post-COVID world. Offering a flexible schedule will help Ansell to recruit high-quality talent and is expected to generate higher levels of satisfaction and performance among existing employees.

# Community engagement and investment

## Our perspective

Ansell aims to be an embedded member of the communities in which we operate. We believe that supporting and contributing to our local communities through volunteering and philanthropy is an important part of what we offer as a company.

Our work with local communities also helps our employees to find their purpose – boosting employee pride, decreasing turnover and promoting wellbeing, while benefiting non-profit organisations.

In times of disaster, it is gratifying that our core business of safety, and our global footprint, enables us to provide much-needed product donations when and where they are needed. Sharing this common purpose to help people and communities builds goodwill with both our employees and other stakeholders and draws us closer together as a global community.

Ansell employees have always stepped up to make their communities a better place to live and work. Our community investment program is driven by regional leadership and local employees, who identify community needs and respond with product donations, financial contributions and employee volunteering hours as appropriate. This enables our people to support the causes that are most meaningful for them.

Ansell's core purpose as a company is to keep people safe. During COVID-19, our community investment has naturally focused on helping to protect those on the frontline globally.

## Our performance

**Goal: Global donations and community investments aligned to Corporate Social Responsibility and sustainability strategy and our Ansell values.**

In FY20, Ansell donated close to four million pieces of personal protective equipment (PPE), including gloves, masks, and protective suits to 55 organisations around the world.

Even in the midst of a pandemic, Ansell has also provided product and financial donations to other disaster relief efforts and non-profit organisations.

### FY20 philanthropy highlights

- Ansell employees worldwide stood with our Australian colleagues as they experienced unimaginable loss during this past year's bushfire season. Ansell responded with an AU\$100,000 donation to the Australian Red Cross, and donated products valued at more than AU\$100,000 to Habitat for Humanity, and other similar non-profit organisations.
- Ansell supported vulnerable and food-insecure children and families in New York City with a donation of US\$25,000, 6,000 masks and 6,000 gloves through the World Childhood Foundation.
- Ansell India was proud to become a corporate partner of Magic Bus. This non-profit organisation engages with parents, teachers, and the broader community to support children in pursuing their aspirations, including completing their secondary education and becoming first-generation salary earners with secure careers.
- Ansell donated MICROCHEM® protective chemical suits to rescue brigades following a chemical explosion at a pesticide plant in China.

In FY20, we made progress connecting our people with shared projects to achieve common good in all of the regions in which we operate, even with the serious challenges and safety concerns presented by COVID-19.





## Community engagement and investment continued

### FY20 volunteering highlights

- Hands-On with HyFlex® Day is our annual community outreach initiative, in which employees donate their time and talents on local community re-building project, showcasing the advanced protection of HyFlex®, one of our core brands. In FY20 we added two additional teams to our four global hubs in Australia, Belgium, Malaysia and the US: our Ringers colleagues in Houston TX, and employees at the Willerby UK office and R&D Centre. More than 120 employees spent 526 hours partnering with seven non-profit organisations. Additionally, Ansell donated US\$3,500 to these organisations and over 1,800 HyFlex® gloves.
- With most employees working from home, we were proud to have 31 employees return to the Brussels office to participate in a blood drive following an urgent appeal from the Belgian Red Cross.
- For the seventh year, Ansell Portugal employees united in their annual community project, A Piece of Cake for a Cause. This year's community project raised funds to support a local child with a chronic and disabling disease.
- For the fifth year, Sri Lanka's global engineering team coordinated a complete home renovation for a family in need and refurbished a local school, providing children with much-needed school supplies.
- Employees from our Xiamen factory joined 5,000 hikers from across China to raise money to support isolated mountain schools and to bring clean water to these communities.
- A team of indoor cyclists at our Hull, UK, location pedalled 500km in full PPE to raise donations for Médecins Sans Frontières (MSF).
- The Human Resources group in Cyberjaya prepared a meal and spent time with disadvantaged children at the Mikhalai School of Destiny.
- Employees at Ansell's Hercules plant in Brazil created an open house and welcomed more than 200 community guests who enjoyed a plant tour, food, games and family activities.



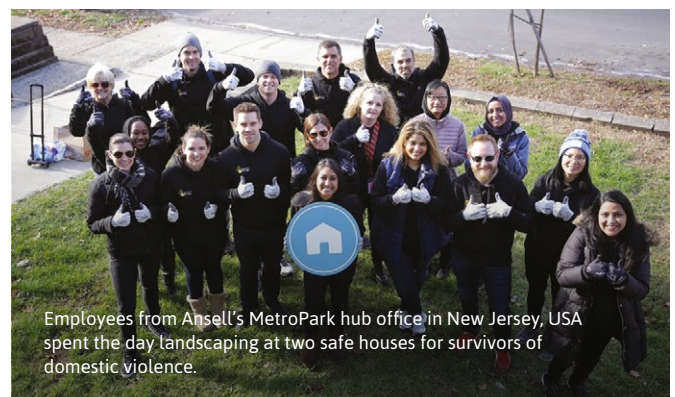
Employees from Ansell's manufacturing facility in Xiamen, China participated in a long-distance hike to raise funds for an isolated mountain school in Fujian and bring clean water to that remote community.



For the fifth year, Ansell's global engineering team takes on a community project. This year the team refurbished a village school in Buttala, Sri Lanka and provided supplies for the local school children.



The Houston TX team from Ringers joined in for their first Hands on with HyFlex® Day. Seventeen colleagues spent the day sprucing up the Learning Activity Center at Reach Unlimited.



Employees from Ansell's MetroPark hub office in New Jersey, USA spent the day landscaping at two safe houses for survivors of domestic violence.

### Looking ahead

In FY21, we will formalise our community investment program to further align it with the material aspects of our corporate social responsibility and sustainability strategy. We will continue to hone our process to make effective community investment decisions and look for ways to better understand our impact.

We will continue to assess how to create online volunteer opportunities and how to manage face-to-face volunteer interactions safely in light of COVID-19.

# Environmental impact and compliance

## Our perspective

Ansell’s products impact the environment in various ways, from our raw materials through to disposal and end of life. These impacts are increasingly a focus for our own people, customers and investors, all who want to have confidence that we understand, actively manage and minimise these impacts, and at all times comply with applicable regulations.

To date our focus has been primarily on our own operations, but we are working to expand our approach to encompass our full value chain (see page 43 for an overview of impacts across the value chain).

As a leader in our industry, Ansell recognises our obligation to operate efficiently, conserve resources and protect communities through strategic environmental management. We understand that companies that fail to adequately manage environmental risks – from climate change and energy, to fresh water management, pollution and waste – may face increasing pressure not only on their social licence to operate, but their ability to continue to generate strong financial returns.

The bar for leading practice in environmental sustainability management in general – and climate change risk management and disclosure in particular – continues to rise. We will work to ensure our ambition for business growth goes hand-in-hand with improvements in environmental performance.

Ansell’s Environmental Policy outlines our commitment to protecting the environment and minimising the impact of our operations.

The global environmental, health and safety (EHS) management framework, including our Core Standards, provides the structure and standards for overseeing daily activities. We measure a range of data from our manufacturing facilities, including energy, greenhouse gases, water and waste. This data is actively monitored by plant and senior management against performance indicators. We constantly look for opportunities for improvement across our operations, as well identifying potential risks or areas of non-compliance. Senior operations management are responsible for mitigating and remediating any issues. Key indicators are also regularly reported to the Sustainability & Risk Committee of the Board.

All Ansell facilities strive to meet local and country regulations and requirements. 11 out of our 14 manufacturing sites hold ISO14001:2015 certification.



Solar panel installation at Ansell’s operations in Xiamen, China.

## Our performance

During the reporting period there were the following non-compliances and remediation activities:

Soil and groundwater contamination	US	Ongoing remediation of legacy sites
Unregistered chimneys	Malaysia	Modifications and registrations completed
Site closure documentation incomplete	Brazil	Documentation being submitted
High total suspended particulates and carbon monoxide emissions from biomass hot water generator	Thailand	An Electrostatic Precipitator and Auto Combustion Control Unit and online monitor was installed to address and monitor these issues. Unfortunately this necessitated using our natural gas hot water generators instead of our biomass units to meet process demands, resulting in a 52% increase in emissions from our Bangkok facility.

## Looking ahead

Ansell has set public reduction targets for greenhouse gases, water and waste (outlined in the following sections). To drive the achievement of these targets, we conducted analysis during FY20 that has enabled us to set internal absolute targets in FY21 against each of these areas. These include specific limits for each site, and site leadership teams now have KPIs in place in relation to these targets.



# Climate risk

## Our perspective

Ansell supports the transition to a zero-carbon future in line with the goals outlined by the Paris Agreement. This transition, and the physical impacts of climate change – some of which are already being experienced – present risks and opportunities for Ansell's business. Climate risk is intrinsically linked to multiple other topics discussed in this report, including energy and emissions, water, innovation, resource efficiency and business continuity, among others.

The physical impacts of climate change can compound existing environmental risks to operations, supply chains and markets, and impact our ability to obtain key inputs or meet our customer's needs. This impact may include disruption to upstream suppliers, manufacturing sites, and downstream warehousing and distribution. The transition to a low-carbon future may also impact the cost of inputs used in product manufacturing and customer demand preferences.

In FY19 Ansell commenced a three-year project to identify, manage and disclose climate-related risks in alignment with the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

In FY20, Ansell also participated in CDP climate and water reporting as part of our commitment to transparency and increasing maturity in our climate-related disclosures. Our CDP scores have improved over the three years we have participated – a testament to the work we have done to improve our management of both climate and water.

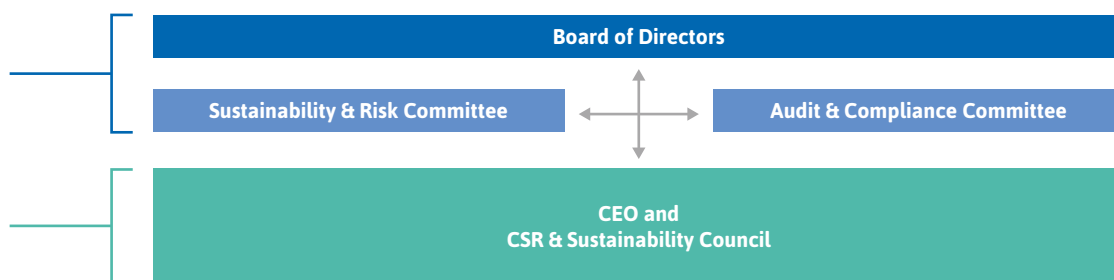
## Governance

Our approach to climate change is overseen at Board level by the Sustainability & Risk Committee and the Audit & Compliance Committee. Both Committees work collaboratively to ensure linkage and alignment between climate-related mitigation activities (primarily the responsibility of the Sustainability & Risk Committee) and TCFD Recommendations and any other finance-required disclosures (primarily the responsibility of the Audit & Compliance Committee).

The CSR & Sustainability Council is responsible for the development and operational implementation of Ansell's strategic approach to climate-related risks and opportunities. Further detail on our approach to governance can be found on page 17.

Board oversight of climate-related risks and opportunities

Management's role in assessing and managing climate-related risks and opportunities



## Strategy

In FY20 we undertook climate change scenario analysis to explore the risks and opportunities presented by climate change at our major manufacturing sites in Malaysia and Sri Lanka. These were prioritised due to their material contribution to production volumes and their exposure to physical climate impacts. The analysis included assessing physical and transition risks and opportunities under high and moderate emissions scenarios, detailed below. Climate risks and opportunities were assessed over a 10-year period to 2030.

High emissions scenario	Moderate emissions scenario	Low emissions scenario
<ul style="list-style-type: none"> <li>High global emissions scenario, i.e. emissions rise</li> <li>Business as usual with little-to-no additional action to reduce emissions</li> <li>Physical impacts are more prominent requiring adaptation action</li> <li>Long term average temperature rise of c. 4°C+</li> <li>Draws on Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 8.5</li> </ul>	<ul style="list-style-type: none"> <li>Moderate emissions scenario, i.e. emissions continue to rise in the short term, plateau and then decline</li> <li>Broadly aligned with the Paris Agreement's 2°C outcome</li> <li>Significant action required to reduce emissions</li> <li>Action on adaptation is still necessary</li> <li>Draws on IPCC RCP 4.5</li> </ul>	<ul style="list-style-type: none"> <li>Low emissions scenario, i.e. global emissions decline from the short term</li> <li>Significant, immediate action undertaken to reduce emissions quickly</li> <li>Transition impacts are more prominent</li> <li>Long term average temperature rise of c. 1.5°C</li> <li>Draws on IPCC RCP 2.6</li> </ul>

Key physical risks identified included the likelihood of drought disrupting production. As this has occurred in the past, we have invested in water recovery and storage solutions to minimise our exposure to this type of risk at key manufacturing sites (see further page 40).

Similarly, Ansell has already invested in a number of solutions that minimise its exposure to transition risks. For example, Ansell has invested in biomass and heat recovery solutions that simultaneously reduce GHG emissions and reduce costs of our operations (see page 39). Combined, these initiatives are expected to result in 13,200 tCO<sub>2</sub>e of GHG emissions savings and \$2.2 million of operating cost savings annually.

The analysis was used to test our Global Crisis Management & Recovery Plan, site-specific emergency response plans, the risk register, and environmental goals in Malaysia and Sri Lanka.

Climate risk is also considered as part of the due diligence process for acquisition of new manufacturing facilities, alongside environmental impact assessments. For example, when performing the due diligence for an acquisition in Sri Lanka located by a lagoon and surrounded by marsh land, a flood risk assessment was conducted to see if any mitigation related expenses needed to be considered as part of the investment.

## Risk management

Ansell's Risk Management Framework is described on page 15. In FY20, we developed a climate risk register to assess and monitor the way in which climate change could impact our business. The outputs of the framework are used to determine the relative significance of climate-related risks in relation to other risks. For climate impacts and other emerging risks, the usual 'likelihood' time horizon of three years has been extended to a 10-to-30-year time horizon (to 2050), due to the longer-term nature of these impacts and the nature of our business.

The Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AuASB) released a joint bulletin on climate-related and other emerging risks disclosures in December 2018, which outlines the ways in which organisations can consider the materiality of climate-related risks on the business, and how these risks can be disclosed in financial statements; in line with the AASB's Practice Statement 2 Making Materiality Judgements. As we refine our corporate level climate change scenario analysis, we will consider the financial implications of priority climate related risks and opportunities, consider if this materially affects any of the amounts recognised in the financial statements and link to the disclosure requirements of the TCFD.

## Metrics and targets

We have metrics and targets in place for GHG emissions (see page 39) and water (see page 40).

## Looking ahead

We recognise that there is more to do to improve our climate change strategy and risk management.

In FY21, we will be completing a corporate-level climate change scenario analysis to identify, assess and manage climate-related risks and opportunities across our value chain. This process has been designed to stress-test the overall resilience of our business strategy under different climate change scenarios across a range of different time horizons. This analysis will include high, moderate and low emissions scenarios, as outlined above. If we identify material risks to the business as part of this qualitative corporate level assessment, we plan to undertake additional analysis to quantify the financial implications.

# Energy and emissions

## Our perspective

The transition to a zero-carbon future requires us to act now to reduce the greenhouse gas impacts of our operations, and to plan for a constant focus on reductions over the coming decades through energy efficiency, innovation and a shift to renewable energy.

As a manufacturer, we have focused on our operations to date. However, we will expand our focus to better understand and manage the emissions embedded in our supply chain and distribution.

Ansell looks constantly for opportunities to increase our energy efficiency and shift to renewable energy. We consider long-term financial and non-financial costs and benefits when making investment decisions in relation to these opportunities. For example, the rooftop solar photovoltaic project at Ansell Textiles Lanka has a return on investment period of two-and-a-half times our usual corporate requirement. In Portugal, we entered into a power purchase agreement for renewable energy despite the higher cost, because it contributes towards our emissions targets.

Additionally, our constant focus on production efficiencies in turn results in efficient use of energy.

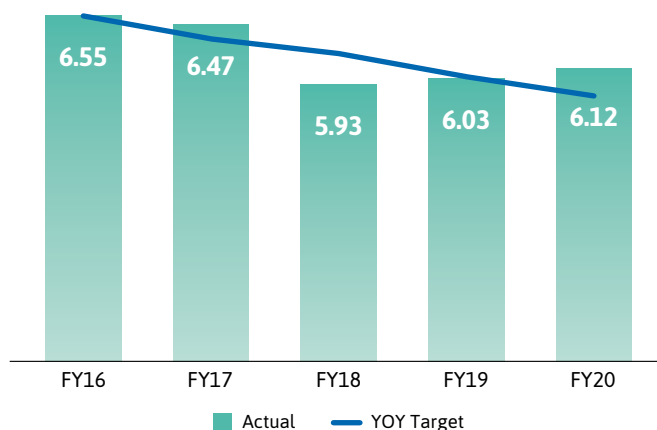
We have real-time monitoring of energy use in some of our manufacturing operations. This enables us to quickly identify any issues and opportunities for refinement (through analysis of the data). We will continue to expand this to all our manufacturing sites.

We are currently taking steps towards understanding our Scope 3 emissions, including purchased goods and services, and upstream and downstream transportation. As we better understand these impacts, there may be opportunities to reduce this footprint through product and process design, and through collaboration with other organisations in our value chain.

It was also due to a change in product mix as our more energy-intensive products (including chemical products and nitrile gloves) were in higher demand during the pandemic.

During FY20 we completed a Solar PV project at our Xiamen facility whereby we rent our roof space to a solar PV supplier, which gives Ansell the ability to purchase green power generated on site at a discounted rate. This will save approximately 270 tCO<sub>2</sub>e per year.

### Energy intensity (mmbtu/million USD production value\*)



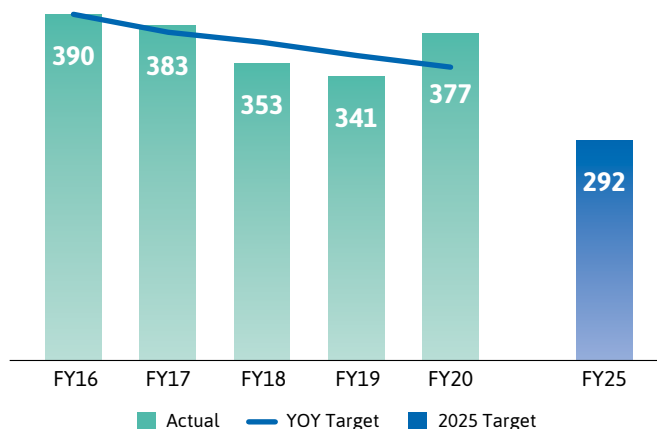
## Our performance

**Goal: 25% intensity reduction of Scope 1 and Scope 2 emissions, in tonnes of CO<sub>2</sub> – equivalent/\$M production value, below FY16 baseline by the end of FY25.**

**Goal: Continuous improvement to identify and implement energy reduction and efficiency opportunities to support and augment our GHG emissions reduction target.**

Our absolute emissions and our emissions intensity both increased in FY20. This was due partly to the rapid and wide changes in energy usage as some of our factories were closed due to COVID-19, and then re-opened and impacted by start-up followed by increased production volumes.

### GHG emission intensity (tCO<sub>2</sub>e/million USD production value\*)



\* Cost of production including materials, utilities and labour.

Additional data on greenhouse gas emissions are set out on page 47.



## Ansell Bio-Link Carbon Insetting Reforestation Project

Since FY17, Ansell has partnered with the Conservation Carbon Company and the Sustainable Future Group (SFG) to restore degraded rainforests in Sri Lanka, while reaping a Carbon Insetting benefit. Carbon Insetting is an innovative carbon emissions reduction methodology that, unlike traditional carbon offsetting, focuses on activities within the value chain or sphere of influence of a business entity.

Ansell's Bio-link Project is Sri Lanka's first carbon insetting project, and its carbon savings have been independently verified by SFG according to the ISO 14064-2 Standard and their own proprietary Carbon-Inset® Guideline.

The project aims to create a biodiversity corridor between Haycock and Danawala, two separate protected rainforest patches in the southern region of Sri Lanka. More than 4,000 predominantly native and endemic trees have now been planted in the Neluwa-Mandalapura area. Local smallholder farmers are compensated to plant and maintain the trees. In addition to reforestation, the Ansell Bio-link will support positive benefits to the rainforest ecosystem, including improved soil, water and air quality, the prevention of soil erosion, and watershed protection. The planted trees will be taken care of and monitored on a regular basis, with any dead trees being replaced and overall tree growth tracked until maturity for a period of 10 years.

The project has generated 1,895 carbon credits that have been verified according to the 'Plan Vivo' standard, the globally recognised standard for community-based forestry projects. The project will continue until FY22.



The Ansell Bio-Link project helps local smallfarmers manage their natural resources more sustainably, while enhancing the livelihoods of these traditional communities living in close proximity to natural rainforest tracts where the biodiversity is high, but under imminent threat.



The Ansell Bio-Link project included planting 2,000 trees across 25 farm lands in the Neluwa- Mandalapura area during the first year of the project and 1,000 trees each year afterward for a minimum of five years. Four thousand trees have now been planted.

## Biomass

Ansell uses heat for a variety of applications during its manufacturing process, including leaching, curing, and drying. The use of biomass to fuel our boilers is central to our renewable energy strategy. We have biomass boilers in place in our Sri Lanka facilities, and they have been a part of our facility expansion in Thailand.

In Sri Lanka, Ansell participated in the Technical Evaluation Committee (TEC) for a new Sustainable Sourcing Standard for Biomass, SLS 1551:2016, developed by the Sri Lanka Standards Institute and the UN FAO. Ansell representatives were also part of the TEC working on the sustainable sourcing standard in order to streamline processing and transport to improve the assessment of the material (biomass in the form of chips, logs, brickettes, etc.).

The Standard is now in effect for use on a voluntary basis. Ansell is working with other large consumers in Sri Lanka to agree that the Standard should become a pre-requisite when purchasing biomass.

Ansell representatives were also part of a Technical Advisory Committee looking at establishing a carbon registry in Sri Lanka. The Committee focused on a registry with the view it could allow entrepreneurs, SMEs and large industries to establish carbon reduction projects that would contribute to the national emissions target as well as providing a sustainable income to support the community.

## Looking ahead

In FY21 we have established internal absolute targets for reduction in energy and greenhouse gas emissions, including specific targets by site and associated management KPIs, with FY20 as a baseline.

Projects currently in development – from evaluation through to construction include:

- rooftop solar photovoltaic installations at facilities in Sri Lanka, Thailand, Vietnam and Malaysia.
- combined heat and power generation plant at our Melaka facility
- renewable power purchase agreements where available, noting that some countries where we operate do not currently offer options for renewable power.



# Water

## Our perspective

Many of Ansell's manufacturing processes are water-intensive and dependent on high quality fresh water. Some of our key manufacturing plants are located in areas that have experienced water stress, such as Sri Lanka and Malaysia. Our climate risk assessment (see page 36), identified that key physical risks to Ansell include the likelihood of drought in these regions disrupting production. We have a responsibility to minimise withdrawal of water from shared resources, and also to ensure that water returned to water sources is free of pollutants.

The quality of water used in our process is critical to the overall quality of our products, particularly surgical and examination gloves. Leaching of gloves (washing to remove residual chemicals and proteins) is an integral part of the manufacturing process for both industrial and healthcare products.

To date, our water stewardship focus has been on our own operations. However, as our finished goods suppliers also use water in their processes, and some of our raw materials – notably cotton – are water intensive and may be sourced from water-stressed regions, moving forward we intend to build a stronger level of engagement with our suppliers in respect to water use.

Most of the water used at our facilities is purchased from municipal utilities. This is supplemented by smaller withdrawals from rainwater harvesting and groundwater abstraction.

We aim to reduce our dependency on both direct and indirect water use though:

- Developing new products that require less water to produce (see further page 44)
- Optimising production processes for water efficiency
- Water conservation and rainwater harvesting.

Projects previously instigated, such as a rainwater harvesting system at our plant in Vietnam, and a water recycling capability upgrade to the sewerage treatment plant at Ansell Textiles Lanka, reduce our overall consumption. However, this water is suitable for garden watering and toilet flushing, and is not of sufficient quality to use in our production process.

Water demand, supply and infrastructure are now considered as part of investment decisions on new plants or expansions.

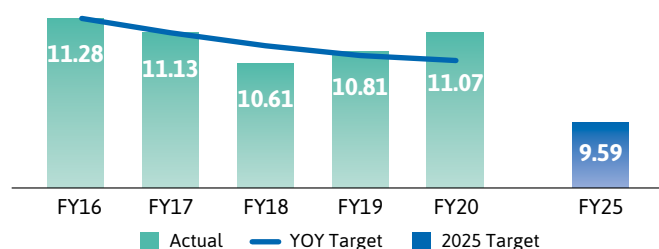
The quality of water discharged from our manufacturing facilities is monitored regularly, both internally and by regulatory bodies. The majority of water discharged goes into tertiary treatment sites or stormwater where approved; we have only one site that discharges directly to an inland water body. We measure the volume of discharge at some sites but have to rely on estimates for others; we therefore focus our monitoring on withdrawals.

## Our performance

**Goal: 15% intensity reduction in water usage, measured in m<sup>3</sup>/\$M production value, below the FY16 baseline by the end of FY25.**

In FY20, our overall water withdrawal increased from 6,023m<sup>3</sup>/year to 6,281.5m<sup>3</sup>/year. This is a result of increased output from our manufacturing facilities to meet increased market demand due to COVID-19.

### Water intensity (m<sup>3</sup>/million USD production value)



\* Data represents manufacturing sites only.

We again participated in CDP water reporting in FY20.

### Looking ahead

In FY21 we have established internal absolute targets for reduction in water withdrawals, including specific targets by site and associated management KPIs, with FY20 as a baseline.

Over the next two years we will be formalising our approach to water withdrawals, discharges and impacts, by developing a water policy. To better understand the impact of our withdrawals, the World Resources Institute will be engaged in FY21 to conduct a formal basin level water risk assessment for all our manufacturing locations.

We have piloted the use of reverse osmosis water in our manufacturing processes to reduce our demand on fresh potable water. At this stage, we have not been able to achieve the level of water quality required for our manufacturing, but we plan to continue to invest in this process so that in time we can incorporate more of this water source in our supply.

To date, our focus has been on our direct operations. However, as part of our broader program of supplier engagement (see page 43), we intend to build a stronger level of engagement over the next few years, including engaging with our suppliers on water related issues.

# Operational resource efficiency and waste

## Our perspective

As a manufacturer, we always aim to maximise the efficiency of our operations and minimise costs, and that includes reducing wastage. Waste that goes to landfill has long-term environmental impacts including land contamination and increased greenhouse gas emissions. Our goal is to work towards zero waste to landfill.

Our primary strategy to reduce our waste to landfill is to maximise the efficiency with which we use resources. This is driven both by environmental aims and by the rising and in some cases unstable costs of raw materials.






To better understand our waste profile, in FY20 our sites mapped their sources of waste generation and disposal methods. We also enhanced our data collection systems and integrated waste volumes into our monthly environmental dashboard. These activities enabled us to identify the three primary barriers preventing our facilities from diverting waste from landfill; cost, regulatory challenges, and lack of local recycling infrastructure.

To make waste management a core focus at Ansell we have integrated the 5R principles of waste management into Company decision making. We encourage our teams to innovate and divert waste by applying the principles of the solid waste management hierarchy.

Currently, waste reduction is achieved through three primary methods at our manufacturing facilities:

- 1. Refuse** – by decreasing the amount of materials required to make a product
- 2. Reduce** – by decreasing the weight and thickness of products and packages
- 3. Reuse** – through an emphasis on closed loop systems.

See also Product Stewardship, (page 44).

 <p><b>Refuse</b></p> <p>End the use of disposable items and toxic generating goods or services.</p>	 <p><b>Reduce</b></p> <p>Limit your ecological footprint.</p>	 <p><b>Reuse</b></p> <p>Choose items that you can use over and over again.</p>	 <p><b>Recycle</b></p> <p>There is surely usefulness beyond the conventional lifecycle of anything. Nature does not throw away.</p>	 <p><b>Restore</b></p> <p>Hasten the revitalisation of natural systems. Step back, watch nature heal itself.</p>
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## Our performance

**Goal: Zero Waste to Landfill from all manufacturing facilities by the end of FY23.**

To better understand our waste profile and performance we formally began recording our waste volumes from December 2019. For the latter seven months of FY20, approximately 82% of our waste was diverted from landfill.

## Looking ahead

In FY21 we have established internal absolute targets for reduction in waste to landfill, including specific targets by site and associated management KPIs, with FY20 as a baseline. To achieve these, we will be looking for ways to overcome the barriers outlined above.

As an example of specific reduction priorities resulting from our FY20 survey, we identified that ceramic formers and materials are often going into sanitary landfills. We have tasked relevant sites with identifying alternative disposal mechanisms.

Other options we are exploring to reduce our waste to landfill include utilising waste-to-energy and co-processing facilities, and working with our R&D teams to find alternative uses for our manufacturing waste.

# Chemicals and hazardous materials

## Our perspective

Our production processes include the use and disposal of a wide range of chemicals, including some hazardous materials. In line with our EHS framework and Core Standards, we aim to handle these materials so as to minimise any negative impacts on the health and safety of our people, our local communities or the environment.

The regulatory environments of our manufacturing sites vary widely in relation to hazardous chemicals, but we are guided by our own high standards and industry best practice as well as regulation.

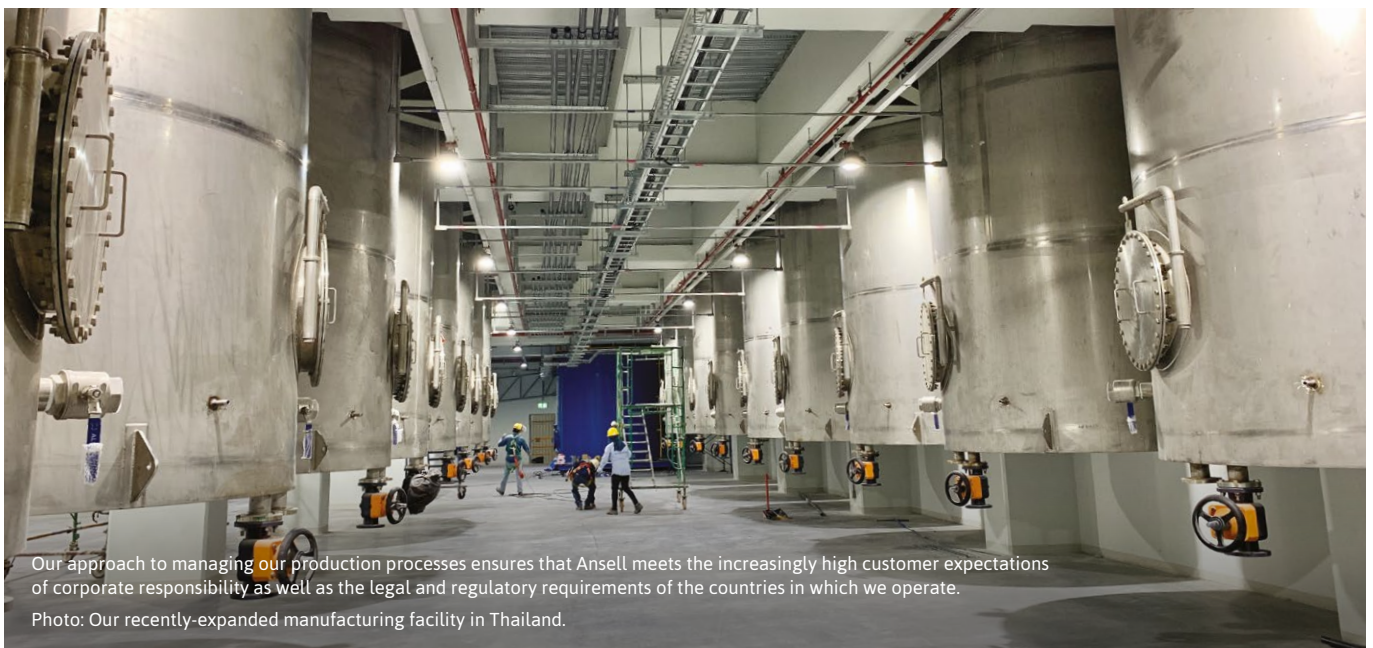
Our performance is assessed internally against our Core Standards, and externally as part of our ISO14001 certification where applicable and through SEDEX audits conducted on behalf of our customers.

Ansell products comply with European Regulation 1907/2006 concerning the Registration, Evaluation, Authorisation and Restrictions of Chemicals (REACH). Our statement can be found on our website.

Refer to the case study on page 45 as an example of how, through product innovation and R&D, we are trying to reduce our use of chemicals and hazardous materials in our manufacturing process.



Our recently-expanded manufacturing facility in Thailand.



Our approach to managing our production processes ensures that Ansell meets the increasingly high customer expectations of corporate responsibility as well as the legal and regulatory requirements of the countries in which we operate.  
Photo: Our recently-expanded manufacturing facility in Thailand.



# Responsible supply chains

## Our perspective

As a global, listed company, Ansell's customers and other stakeholders expect us to understand and actively manage not only the environmental impacts of our own operations, but also those of our supply chain. (For an overview of our supply chain, see page 19).

Like us, the manufacturers we purchase finished goods from have energy, water and waste footprints. There is also a range of environmental impacts associated with the raw materials we draw on. For example, cotton is typically water and pesticide intensive, and associated with land use conversion. Rubber is also associated with land use conversion, including deforestation, as well as herbicides and pesticides, and social impacts including corruption. Our value chain also includes significant transport of raw materials to manufacturing and distribution facilities, with an associated carbon footprint.

As well as addressing environmental dimensions, it is important that our supply chains are ethical, not only in relation to labour rights (discussed page 24) but also in their broader social impacts.

Sustainability is now formally built into our supplier assessment and tenders, and is part of our discussions with suppliers. All new suppliers coming through Global Sourcing are required to complete a supplier evaluation form, which includes environmental aspects. We also review prospective suppliers' sustainability reports, or request key information if they do not produce a sustainability report.

Our key reference point is the four-pillar Sedex Members Ethical Trade Audit (SMETA), which is also our mechanism for monitoring supplier performance against environmental expectations.

Our new tender process for forest products now includes questions about Forest Stewardship Council (FSC) certification, although this is not yet an absolute requirement.

Some material impacts in our supply chain may occur beyond our direct suppliers. It will therefore be a significant undertaking to understand the life cycle impacts of our products, and where material impacts occur, and then to put in place effective measures to manage these impacts. It will also necessitate collaboration across our suppliers, whole sectors, and relevant non-government organisations.

Part of our approach to managing environmental impacts in our supply chain is to consider them as part of our research and development process. You can read more about this under Product stewardship.



## Looking ahead

As we move towards a stronger framework for supplier engagement, we expect to strengthen our ability to embed improved management of environmental impacts in our selection of suppliers by collaborating closely with key suppliers to share our expertise and improve their performance.

We are exploring opportunities to identify and source raw materials, especially those of an organic nature, from certified sources.



# Product stewardship

## Our perspective

Our customers' trust in our products extends to the way our products are sourced and made. Many of our customers are price sensitive. However, we also find increasingly that our customers are looking for the highest performance with the lowest environmental impact.

There is growing social awareness of the 'cradle to grave' impacts of products, and rising expectations from our customers, investors and our own people to reduce those impacts. As a producer of disposable products, including a high proportion of single-use products, there is significant focus on the end-of-life impacts of our products. At present, our products are not recyclable and are typically incinerated or go to landfill. While COVID-19 has made PPE indispensable to a far wider range of users than is normally the case, it has also highlighted the issue of PPE waste, with discarded gloves and facemasks becoming a common form of litter.

The transition to a 'circular economy' has implications for the raw materials we choose, our production processes, and the options available at the end of life of our products.

There is a strong demand from some parts of our market for more environmentally friendly products. Some customers are jumping to specific solutions, such as biodegradable products, but it is important to consider the broader context within which waste is generated and treated. Products do not biodegrade in landfill, so this option is only beneficial if it is accompanied by the right infrastructure to deal with biodegradable waste. Biodegradable products may also be more carbon intensive to produce.

**Ansell will not make misleading claims about the environmental credentials of our products. We are determined to be led by science and data, taking into account the full lifecycle of our products from raw materials through to disposal. We are also committed to taking our customers on this journey with us.**

At the same time, we need to fulfil the exacting quality requirements of PPE. Sometimes there are trade-offs. For example, the risk of allergies is driving a shift from natural rubber latex to synthetic latex. However, synthetic latex has a higher carbon footprint, which we try to offset through product design and energy efficient processes.

As our products are designed to protect people from infection, chemical or other hazardous substances, it follows that a large proportion of the post-consumer waste from our products is classed as contaminated or hazardous waste, and is often incinerated for health and safety reasons. This adds to the complexity of finding post-use solutions, and means that waste-to-energy is one of the better options currently available for our waste; however, this technology is not currently widespread. End-of-life solutions also call for a different relationship with end users, as these issues will only be solved by collaboration across the value chain.

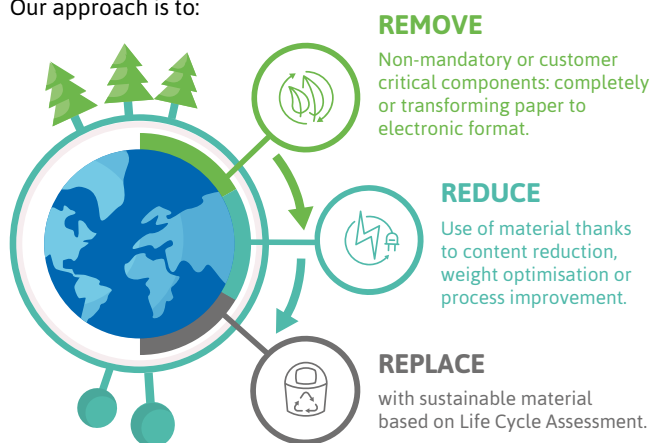
## Packaging

Reduction of packaging waste has been a focus for an increasing number of our customers, particularly in Europe.

Many of our packaging configurations are defined by the need to safeguard the sterility, cleanliness and critical performance of our products, as well as regulatory requirements in a number of geographies around the world.

While compliant to those requirements, we continuously identify opportunities for reducing packaging waste and making conscious choices for the packaging materials we use.

Our approach is to:



Examples of those principles in action are:

- Our compact, user friendly SMART Pack surgical glove dispenser, which has reduced packaging by 30-50%.
- Choices of recycled content and responsibly sourced packaging materials.
- Ongoing work to standardise industrial packaging for more efficient transportation and warehousing.
- Reduction of packaging waste at our plants.
- Ongoing packaging Life Cycle Assessments enabling us to identify opportunities with significant environmental impact we can directly control.

As an example, we are conscious of the fact that some of the best environmental solutions will require a system approach that looks beyond the boundaries of our own operations resulting in collaboration with our supply chain, regulators and peer industry players.

We are currently working towards 100% recyclable packaging for our surgical gloves. However, recycling facilities are often not available in operating theatres, so effective solutions require coordinated action throughout the value chain.

We are also working to standardise packaging for more efficient shipment, and to reduce packaging waste at our plants.

Our performance

In FY20, we began a project to understand and quantify the environmental impact of a suite of products and packaging across our healthcare and industrial ranges. We are using Life Cycle Assessment (LCA) following the ISO14044 standard. This will better enable us to understand impacts at every stage from raw materials through to disposal, and to compare, for example, single use and reusable products, or similar products being manufactured in different ways or different locations. This will better support us to set data-driven targets and action plans to reduce the environmental footprint of our products, packaging and services.

Ansell has been working to develop new alternatives to its range of vinyl gloves, given their higher environmental impact. Over the past three years, we have discontinued 15 styles, or 54%, of this portfolio.

Case study: process innovation

One aspect of product stewardship is to look for ways to eliminate whole inputs or stages from our production processes.

In FY20 we achieved both these aims by introducing a unique offline chlorination process in the manufacture of one of our life science products, TouchNTuff® DermaShield™ 73-701.

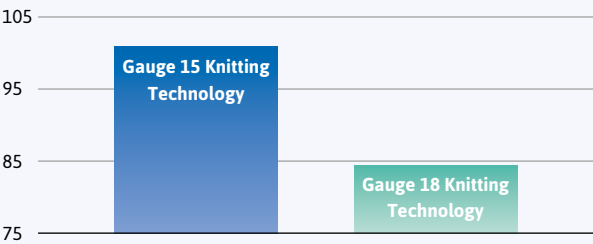
Chlorination is a process used to treat the outer surface of surgical gloves. Our R&D teams conducted extensive testing to achieve the same product quality via a new process that is:

- Less labour intensive
- Eliminates need to manage safe handling of a hazardous chemical (chlorine)
- Less water intensive (chlorine rinsing), resulting in annual savings of 4,200m³
- Less energy intensive (compressed air and chilled water, dryer time)
- Less materials intensive (chlorine and silicone)
- Quicker.

We have since achieved this (in FY21) with another two products, DermaShield™ and TouchNTuff® Sensitive.

Case study: material reduction

The evolution of knitting technologies enables Ansell to engineer ever-more comfortable supported gloves liners for our mechanical protection portfolio. Our latest gloves feature a cutting edge 18 Gauge knit that reduces the weight of the glove liner weight by over 30% on average compared with the previous 15 Gauge. This not only improves worker comfort but also reduces the greenhouse gas impact of the product by 15%.



Comparison of Global Warming impact for 1 pair of Mechanical glove knitted liners according to Knitting Technology. Method: IPCC 2013 GWP 100a V1.03 / Characterization.

Looking ahead

In FY21 our Life Cycle Assessments (discussed above) will establish a base line understanding of our current product and packaging footprint, which will enable us to develop a more strategic approach to reducing our impacts from product design, sourcing and production, through to the end of life of our products.

# Appendices

## Performance data tables

### Workforce

#### Headcount by employment type, region and gender (as at 30 June 2020)

	North America	Latin America & Caribbean	Europe, Middle East & Africa	Asia Pacific	Female	Male	Total
Employees	580	375	973	11,640	6,927	6,641	13,568
Contract/temporary workers	90	34	97	1,012	607	626	1,233

#### % Women in leadership (as at 30 June 2020)

	FY19	FY20
Non-Executive Directors	50.0	50.0
Executive Leadership (Director level and above)	24.8	27.7
Management (Manager through to Associate Director)	34.3	34.7

#### % Turnover

	FY16	FY17	FY18	FY19	FY20
Male staff turnover	18.0	23.0	17.8	15.6	17.0
Female staff turnover	18.8	22.4	20.1	19.6	21.4
Total turnover	18.4	22.7	19.1	17.6	19.3

### Health and safety

All health and safety figures include temporary and contract employees hired by Ansell through temporary and contract agencies. They do not include third party contractors hired to undertake a specific job or task, such as caterers or tradespeople who take direction from the company they work for.

The following health and safety metrics are presented per 100 employees per year in line with the guidelines put forth by the United States Occupational Health and Safety Administration. These figures are calculated based on a rolling 12-month average headcount.

Metric	FY16	FY17	FY18	FY19	FY20
Lost time injury frequency (per 100 employees per year)	0.062	0.047	0.063	0.046	0.081
Days lost frequency (per 100 employees per year)	2.441	1.143	3.522	2.463	1.580
Medical treatment injury (per 100 employees per year)	0.358	0.259	0.281	0.257	0.198
Near miss frequency rate (per 100 employees per year)	20.010	32.233	33.078	35.305	39.920

Metric	FY16	FY17	FY18	FY19*	FY20
Fatalities (number)	1	-	-	-	-
Fatalities (per 100 employees per year)	0.006	-	-	-	-

\* In FY19 there was a fatality associated with a third-party contractor. As third-party contractors are outside the scope of our reporting boundary, we have not included it within this table.



## Environment

### Energy intensity<sup>^</sup>

Metric	FY16	FY17	FY18	FY19	FY20
mmbtu/million USD production value	6.55	6.47	5.93	6.03	6.12

### Greenhouse gas intensity<sup>^</sup>

Metric	FY16	FY17	FY18	FY19	FY20
tCO <sub>2</sub> e/million USD production value	390	383	353	341	377

<sup>^</sup> Emissions are measured for manufacturing sites only. Our distribution centres and offices are leased and therefore fall under Scope 3.

### Greenhouse gas emissions\*

Metric tons CO <sub>2</sub> e	Baseline (FY16)	FY20
Scope 1 emissions	109,133	119,120
Scope 2 emissions (location based)	81,743	95,508
Scope 2 emissions (market based)	82,204	94,610
Direct biomass emissions	n/a	206,458

### Composition of Scope 1 emissions\*

Greenhouse gas	Scope 1 emissions* (metric tons of CO <sub>2</sub> e)
CO <sub>2</sub>	116,578
CH <sub>4</sub>	2,254
N <sub>2</sub> O	288

\* Emissions measured for manufacturing sites only. Our distribution centres and offices are leased and therefore fall under Scope 3.

### Water intensity\*

Metric	FY16	FY17	FY18	FY19	FY20
m <sup>3</sup> /million USD production value	11.28	11.13	10.61	10.81	11.07

\* Withdrawals measured for manufacturing sites only. Our distribution centres and offices are leased and therefore fall under Scope 3.

### Volume of waste, December 2019–June 2020\*

Total waste volume (MT)	Waste to landfill (MT)	% Waste to landfill
9,811	1,738	18

\* Ansell began formally reporting on waste volumes in December 2019. In future reporting years we will report against a full year of performance.

## Verification of data

Environmental data is provided monthly by engineering managers at each of our manufacturing facilities, and complied by Global Engineering, including following up data gaps and anomalies. Verification is performed by our Finance team, and the data is then converted into standardised metrics which feed into our monthly environment report.

Ansell's FY20 GHG Inventory was verified in accordance with ISO14064-3:2019 as meeting the requirements of ISO14064-1:2018 by Control Union International, an independent IFIA accredited inspection group.

## Industry associations

Body	Type	Country or region	Ansell position
European Commission	Government regulator	EU-28	Engagement in ESF
Korea Occupational Safety and Health Agency (KOSHA)	Government regulator	South Korea	Dialogue
CUPPE	Government regulator	China	Dialogue
International Organization for Standardization (ISO)	Standardisation body	International	Expert member
European Committee for Standardization (CEN)	Standardisation body	EU-28	Expert member
British Standards Institution (BSI)	Standardisation body	United Kingdom	Expert member
Bureau for Standardization (NBN)	Standardisation body	Belgium	Expert member
Swedish Institute for Standards (SIS)	Standardisation body	Sweden	Expert member
International Safety Equipment Association (ISEA)	Standardisation body	North America	Expert member
American Society for Testing and Materials (ASTM)	Standardisation body	North America	Expert member
National Fire Protection Association (NFPA)	Standardisation body	North America	Expert member
Standardisation Administration	Standardisation body	China	Expert member
Brazilian National Standards Organization (ABNT)	Standardisation body	Brazil	Dialogue
Australian/New Zealand Standards (AS/NZS)	Standardisation body	Australia and New Zealand	Member
European Safety Federation (ESF)	Professional organisation	Europe	Board member
Bundesverband des Deutschen Versandhandels (BVH)	Professional organisation	Germany	Member
British Safety Industry Federation (BSIF)	Professional organisation	UK	Member
Febelsafe	Professional organisation	Belgium	President
Assosistema	Professional organisation	Italy	Member
Synamap	Professional organisation	France	Board member and expert member
Animaseg	Professional organisation	Brazil	Member
Association of designers, manufacturers and suppliers of PPE (ASIZ)	Professional organisation	Russia	Member
Middle East Studies Association (MESA)	Professional organisation	Middle East	Expert member
Asepal	Professional organisation	Spain	Member
Malaysian Rubber Glove Manufacturers Association	Professional organisation	Malaysia	Ordinary member
Supplier Ethical Data Exchange (SEDEX)	Non-profit membership organisation	Global	Member

## Material topic definitions

Material topic	Definition	Boundary
<b>Better Society</b>		
<b>Labour rights</b>	Respecting and protecting the rights of all people working in our operations and supply chains. Actively working to identify and address the risks of modern slavery. Managing relevant issues including overtime and rest days.	Ansell Supply chain
<b>Employee health and safety</b>	Actively managing health and safety risks to protect Ansell's employees, contractors and visitors. Working continuously to raise safety performance and standards at our locations.	Ansell Supply chain
<b>Recruitment and engagement</b>	Attracting, developing and retaining a skilled workforce, including white and blue collar employees. Managing availability of labour as a strategic constraint.	Ansell
<b>Diversity and inclusion</b>	Maintaining a diverse and inclusive workforce at all levels across the organisation. Working towards equal treatment of all people in our operations and supply chain.	Ansell
<b>Community engagement and investment</b>	Supporting and investing in the communities in which we operate through philanthropy and volunteering. Recognising Ansell has a positive impact as a significant source of economic contribution in many of the communities in which it operates, particularly through provision of employment.	Ansell Local communities
<b>Business ethics and governance</b>	Upholding the highest legal, moral and ethical standards in our corporate activities. Managing cybersecurity risks.	Ansell
<b>Better Environment</b>		
<b>Energy and emissions</b>	Reducing the greenhouse gas impacts of our operations through energy efficiency and use of renewable energy.	Ansell operations
<b>Responsible supply chains</b>	Awareness and management of environmental and social impacts in our supply chain, including extraction of raw materials, water use, pesticides, deforestation. Maintaining ethical business practices. (Note this topic excludes labour rights in supply chain, captured under Labour rights topic.)	Supply chain
<b>Water stewardship</b>	Ensuring continued access to water for our operations through processes including rainwater harvesting, water recycling, efforts to minimise consumption, and improved water conservation.	Ansell operations
<b>Product stewardship</b>	Working to reduce adverse social and environmental impacts of Ansell's products and packaging in use and at end of life. Includes a focus on product design with end of life in mind, including extending products' useful life, and disposal options.	Ansell Supply chain Customers and end users
<b>Climate risk</b>	Recognising and taking steps to increase the resilience of Ansell's operations and supply chain to climate-related risks.	Ansell Supply chain Logistics
<b>Operational resource efficiency and waste minimisation</b>	Minimising manufacturing waste by increasing the efficiency of our resource use, increasing recycling, and consideration of opportunities to reuse materials.	Ansell operations
<b>Environmental impact and compliance</b>	Maintaining compliance with environmental regulations, and minimising the environmental impacts associated with Ansell's operations.	Ansell operations
<b>Chemicals and hazardous materials</b>	The use and disposal of chemicals and hazardous materials in Ansell's operations, including promoting safe handling and disposal practices.	Ansell operations
<b>Better Business</b>		
<b>Quality protection solutions and innovation</b>	Upholding the safety of end users and Ansell's reputation for quality. Providing our customers with innovative safety solutions. Continued focus on research, development, and innovation across quality, manufacturing processes and product innovation.	Ansell Customers and end users
<b>Business continuity and demand response</b>	Planning and actions to maintain the continuity and integrity of our supply chains and operations to enable Ansell to respond to surges in demand driven by disasters, epidemics or changing consumer behaviour.	Ansell Supply chain Logistics



## GRI content index

\* Asterisk indicates indicator partially met.

Indicator	Description	Reference
<b>Organisational profile</b>		
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## About this report

This report covers Ansell's sustainability performance for the reporting period 1 July 2019 – 30 June 2020. Unless otherwise stated, disclosures within this report cover Ansell Limited and the entities it controlled during the reporting period. For a full list of these, see our 2020 Annual Report.

All financial data in this report is expressed in US dollars, and environmental data is metric. There are no restatements of data in this report. Ansell's previous FY19 CSR and Sustainability Report was released October 2019. Further information on prior reports can be found here: <https://www.ansell.com/us/en/about-us/sustainability>.

The material topics, structure and preliminary content of this report were reviewed by the Sustainability and Risk Committee of Ansell's Board, and the final content was approved by the Ansell Board. Ansell's FY20 GHG Inventory was verified in accordance with ISO14064-3:2019 as meeting the requirements of ISO14064-1:2018 by Control Union International, an independent IFIA accredited inspection group. We have undertaken internal assurance to verify the data in this report.

This report references the Global Reporting Initiative (GRI) Standards 2016, as detailed in the GRI index (page 50). We have also begun to address the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) (page 36).

We value your constructive feedback on Ansell's 2020 Sustainability Report and performance. To provide feedback or for any questions regarding this report, please contact:

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