

A full-page background image of an industrial facility, likely a refinery or chemical plant. In the lower-left foreground, a worker wearing a white hard hat, a dark blue long-sleeved shirt with reflective yellow stripes, and black gloves is looking up and holding a tablet. The background is filled with a complex network of large, silver, insulated pipes, yellow metal walkways with railings, and industrial machinery. The scene is brightly lit by overhead industrial lights. The image is framed by a blue geometric pattern at the top and a green geometric pattern at the bottom.

Sustainability Report 2021

Ansell

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Biomass

On the front cover and this page:

Biomass provides an alternative energy source to fossil fuels like petroleum, natural gas and coal. At Ansell, biomass is used to fuel High Pressure Hot Water Generators (HWGs) that produce over 40% of the thermal energy required at Ansell manufacturing facilities. Two biomass generators at our plant in Bangkok, Thailand (shown here) have reduced our consumption of natural gas resulting in the reduction of 40,000 MTCO₂e from our greenhouse gas (GHG) inventory. In Sri Lanka, three biomass HWGs are replacing the use of furnace oil, resulting in a reduction of 39,000 MTCO₂e from our GHG inventory.



Solar

Over 1.6MW of Solar Photovoltaic (PV) generation capacity has been installed across the roofs of Ansell manufacturing facilities in China, Sri Lanka and Thailand (shown here). Manufacturing will benefit immensely from the clean, renewable energy derived from solar power, reducing electricity costs and GHG emissions. The large flat-roofed surfaces of factories make them ideal for solar panel installation. Solar PV projects currently being implemented in Sri Lanka, Portugal, Malaysia and Vietnam are slated for completion in FY22.

Reverse Osmosis

Wastewater at our Bangkok, Thailand plant is pre-treated in our effluent treatment plant before being fed into the newly installed Reverse Osmosis (RO) plant. In the RO process, treated water is drawn under pressure through semipermeable membranes and the concentrate (waste) stream is processed again as part of the multi-stage system to remove contaminants and increase the amount of water recovered for re-use. In FY21, Ansell's first large scale RO treatment facility was installed in Thailand (shown), with future investments being planned in Malaysia and Sri Lanka in FY22. Once completed, these projects will result in a 35% reduction of Ansell's total water withdrawals.

Statement from Magnus Nicolin

Despite the disruptions of COVID-19, Ansell has delivered exceptional financial results and advanced a very ambitious agenda to expand production and increase automation, whilst still maintaining our focus on Sustainability.

Magnus Nicolin – Advisor to the Ansell Board of Directors

Mr Nicolin retired as Managing Director and CEO of Ansell on September 1, 2021, having successfully led the Company since 2010. Mr. Neil Salmon has succeeded Mr Nicolin as CEO.



In FY21, we accelerated efforts to lead our industry in responsible environmental, social, and governance (ESG) standards, building on previous years during which we laid the foundation for our activities and investment in the sustainability platform. Our Responsible and Responsive Strategy (see page 06) guides our approach to sustainability and sets out our values and ambitions across three dimensions: **Better Society, Better Environment, and Better Business.**

Despite the disruptions of COVID-19, Ansell has delivered exceptional financial results and advanced a very ambitious agenda to expand production and increase automation while still maintaining our focus on sustainability. Equally important, we have undertaken new initiatives aligned with global ESG standards and our Responsible and Responsive Strategy to advance the sustainability platform. So, while the pandemic is still very much with us, our performance in key areas highlighted in this report is driven by a growing momentum to ensure a more sustainable future.

At Ansell, everything we do begins – and ends – with safety, from our people to our products. Our approach to safety has evolved during the COVID-19 pandemic, with Ansell implementing new safety protocols and working in partnership with public health authorities and third parties to protect our workers. In addition, in FY21 we accelerated a shift of our already strong safety culture to a broadly based ownership of health and safety well beyond senior management and our Environment, Health & Safety managers to all operational leadership teams, general managers, and supervisors at local sites. In this way, we have assigned a shared responsibility for safety to all leaders while integrating it into key performance indicators, like financial performance.

Respecting and **protecting the rights of workers is an ethical obligation.** We have made major strides in our management of labour rights in our operations having established our Labour Standards Management System to set Ansell's expectations and standards on labour rights at all our sites. Additionally, we have set industry-leading housing standards for migrant workers in our employ (see photo on page 36). We will have completed initial third-party Sedex Members Ethical Trade Audits of our manufacturing plants in Brazil, Portugal and Lithuania by the publication of this report. **Annual third-party audits were successfully completed at all our Asian plants.** Our new factory in Russia began operations in June 2021 and our labour standards management system has been implemented at this site, with an initial audit scheduled for FY22.



In FY21, Ansell's state-of-the-art facility in Bangkok, Thailand went live. When the expansion at this plant is completed, we will nearly double the supply of TouchNTuff®, the world's best-selling disposable glove for chemical splash protection. These new lines in Bangkok are the largest, fastest and most energy efficient in Ansell history.

At Ansell, everything we do begins – and ends – with safety, from our people to our products. Our approach to safety has evolved during the COVID-19 pandemic, with Ansell implementing new safety protocols and working in partnership with public health authorities and third parties to protect our workers.

At the end of January 2021, we completed a program to reimburse recruitment fees for migrant workers in our operations. Ansell has never charged nor benefited from any recruitment fees paid by any migrant worker. These fees were demanded by independent agents in the home countries of migrant workers to facilitate their coming to Malaysia and had no connection to Ansell. Although COVID-19 has placed the hiring of migrant workers on hold, our Zero Recruitment Fee policy remains in place.



The safety of our workforce remains our key priority through COVID-19 as we roll out vaccinations and maintain safety measures across our manufacturing operations.

We have demonstrated that, rather than impeding profitable growth, corporate sustainability objectives can support it.

In 2021, we **developed a risk-based Supplier Management Framework** which will guide and support labour standards improvements in our supply chain. These enhancements include processes for supplier selection, contracting, and ongoing management, and ways to standardise processes relating to identifying, assessing, and managing modern slavery risks across our supply chain. While we are proud of our progress to date, there is more for us to do to manage modern slavery risks. We are committed to working with suppliers to improve their labour practices and secure improved conditions for their workers.

We significantly accelerated our strategy to achieve our environmental targets in FY21, conducting fundamental analysis and mapping out and identifying a **\$23m portfolio of water, energy, and waste projects. This plan represents Ansell's largest consolidated investment to date in sustainability initiatives at our manufacturing facilities.** We have also formalised senior responsibility and ownership of environmental measures and performance by **linking key performance indicators to the accomplishment of environmental targets** and programs to assess the performance of Senior Vice Presidents, as well as all Vice Presidents, and General Managers on the operational team. Assigning senior management ownership drives accountability at global and site-levels thus ensuring steady progress and early achievement of our goals. We aim for a 'big-small company' culture at Ansell where individual sites and teams have the freedom to trial initiatives so that technology and knowledge can be implemented globally when successful.

Ansell supports the transition to a sustainable low-carbon future and we have been advancing on our FY19 strategic plan to identify, manage and disclose climate-related risks and opportunities in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (see page 49).

This year, we launched foundational work to establish a strategy by which Ansell would be able to commit to significant longer term reduction of our carbon footprint, in line with the Paris Agreement. This effort is progressing with a timeline to present our conclusions and recommendations to the Executive Leadership Team and the Board of Directors later this year. We are also **embedding sustainability principles into new product development and using life cycle assessments to explore solutions that will decrease the environmental impact of our products and packaging** (see page 23).

This is my final sustainability message as our new CEO Neil Salmon takes up the baton. In the coming pages, I am proud to inform you of the exceptional progress we have made in embedding sustainable practices into our business over the past decade. We have demonstrated that, rather than impeding profitable growth, corporate sustainability objectives can support it. With the strong commitment shown by our Board and the Executive Leadership Team, we can continue to foster innovation and inspire our talented workforce to generate lean, green processes and sustainable new products, and do it better year after year.

I want to thank our Ansell employees for all they do every day to create a safer and better-protected world.

Magnus Nicolin
Advisor to the Ansell Board of Directors

Performance snapshot

Lost time injury frequency decreased by 26%.

This is primarily attributable to increased focus on high-risk tasks and incident investigations during the year.

Managing COVID-19. We continue to emphasise COVID-19 safety to keep our workers safe by maintaining stringent controls, for early detection of at-risk employees and making vaccines available to our workforce.

Six point improvement in Near Miss Frequency

(per 100 employees per year) represents Ansell's biggest improvement to date as we raised awareness and leveraged on tech platforms to easily identify and report unsafe behaviours before these they turn into accidents.

Employee engagement rose to 70%. This represents an increase of four percentage points from 2019. This was primarily driven by an 11 point increase in the engagement of our professional workers.

Further advancing alignment to the **Task Force on Climate-related Financial Disclosures (TCFD) Recommendations** and annual participation in the **CDP (formerly the Carbon Disclosure Project) climate and water environmental stewardship assessment process.**

In FY21 we undertook foundational work to establish a strategy for significant longer term reduction in our carbon footprint, in line with the Paris Agreement.

Committed to a Packaging Pledge to reduce environmental impact. We are working toward minimising environmental impact to keep our planet safe, while advancing protective solutions that keep people safe.

Repayment of recruitment fees. In January 2021, Ansell completed remediation of recruitment fees to migrant workers in our Malaysian manufacturing facilities who had paid recruitment fees to unethical third party agents in their home country.

Life Cycle Assessments (LCAs) of key products.

Conducted LCAs on the environmental impact of multiple products across our healthcare and industrial business units and will use this information to develop our product stewardship strategy.

Development of a Supplier Management Framework.

Ansell worked with third party advisors to develop a Supplier Management Framework which will drive improvements in our management of labour rights risks in our supply chain.

100% renewable electricity at our Lithuanian plant.

In FY21 we achieved 100% electricity consumption from renewable sources in our Lithuania plant via a guarantee of an origin power purchase agreement. Now our Lithuania and Portugal plants both operate on electricity consumed from renewable sources.

Energy consumption rose by 17% and water withdrawal by 13%.

Our overall energy consumption and water withdrawal increased in FY21, due to a sustained increase in production volumes. Demand increased during the COVID-19 pandemic as we strived to increase our production to support the urgent need to supply protective equipment to frontliners.

92% of waste from our manufacturing sites was diverted from landfill in FY21.

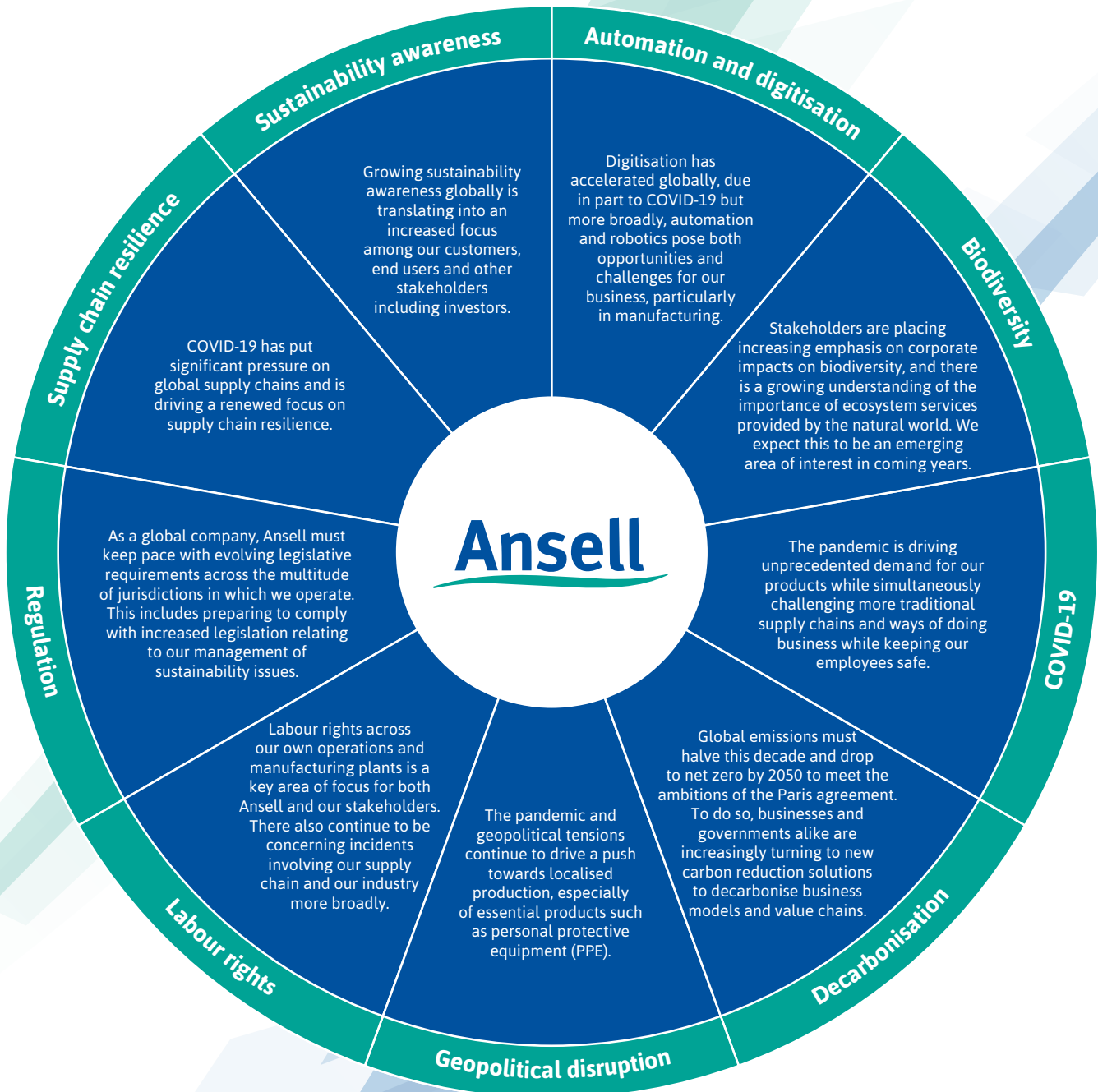
This is a significant increase from 86% in FY20, reflecting efforts to increase the number of landfill diversion pathways.

Ansell Textiles Lanka (ATL) in Seeduwa, Sri Lanka, and our Lithuania plant were **successfully certified by an independent third-party on the achievement of a waste to landfill diversion rate exceeding 99%*.**

* Against Intertek's Zero Waste to Landfill certification criteria.

Our operating context

Overall, ESG-related drivers in our operating context continue to accelerate and present non-financial risks and opportunities for the business. In FY21, we focused on our business priorities and key opportunities to overcome challenges and remained vigilant to emerging issues to meet our stakeholders' expectations and keep our people safe, especially during the uncertainties surrounding the pandemic. For more details on our operating context, please refer to our 2021 Annual Report.



Sustainability at Ansell

A Responsible and Responsive Strategy & Purpose

Our material topics

Better Society	 Employees and wider workforce	 Community	 Business ethics	• We care about our people and safety is our top priority • We support our communities • We play fair and conduct business ethically	• Labour rights • Employee health and safety • Recruitment and engagement • Diversity and inclusion • Community engagement and investment • Business ethics and governance
Better Environment	 Water	 Energy and carbon	 Materials and waste	• We use natural resources with care • We work to continually lower our GHG emissions • We respect the local environment	• Energy and emissions • Responsible supply chains • Water • Climate risk • Operational resource efficiency and waste minimisation • Environmental impact and compliance
Better Business	 Customers	 Suppliers	 Investors	• We provide our customers with safety and productivity solutions • We choose like-minded partners • We reward investors	• Innovation and product stewardship • Business continuity and demand response

Note: The most material topics are shown in bold.

As a manufacturing company with a complex production footprint, sustainability risks and opportunities arise at multiple points across our value chain, from raw material sourcing and production through to product disposal. This comes with obligations and responsibilities to our shareholders, customers, employees and our broader workforce, alongside our suppliers, community and the planet.

Sustainability is increasingly integral to Ansell's strategy. Continuous investment in CSR and sustainability is a key strand of our strategic approach, while **employee passion** and **sustainable practices** underpin our Eight Dimensions of Differentiation.

We are applying the principles of product stewardship and lifecycle analysis to our **product range and innovation** and using our **manufacturing and engineering** excellence to reduce our environmental footprint. In today's world, our social and environmental performance is as important to our **brand equity** as the quality of our products. For more information about our strategy, see our 2021 Annual Report.

Our approach to sustainability is guided by our Responsible and Responsive Strategy, which sets out our values and ambitions across three areas – better society, better environment and better business. Leveraging these principles, this year we have increased our efforts to embed sustainability into our approach across the value chain.

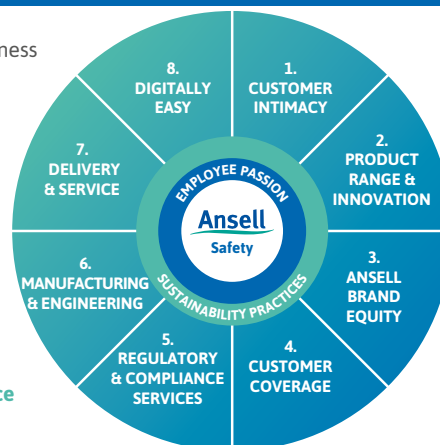
Ansell's Eight Dimensions of Differentiation

Make it easy with digital solutions to do business with and within Ansell

Quality, reliability and consistency in supply

World-class manufacturing, engineering and sourcing with industry leading safety practices

Expertise in safety, regulatory and compliance solutions and services



Industry leading customer intimacy and expertise to solve customers' safety and productivity challenges

Broadest product range and best innovation capability leveraging advanced materials and new technology

Most trusted and well-known brands worldwide

Broadest geographic and channel reach

By continuing to enhance our Eight Dimensions of Differentiation in a sustainable manner, we deepen the 'moat' around Ansell

Key: Solid capabilities already in place Further strengthen and invest

Our material topics

We want our disclosures and actions on sustainability to focus on the topics that matter most to our business, our stakeholders and our community.

In FY20 we conducted a detailed materiality assessment based on the Global Reporting Initiative (GRI) Standards 2016 and the Sustainability Accounting Standards Board (SASB). We identified our material topics through the three lenses detailed in the adjacent diagram.

For more information about this process, see our Sustainability Report 2020, page 8.

In preparation for the 2021 Sustainability Report, we conducted a high-level refresh of our material topics to ensure they still accurately capture our most material sustainability impacts and opportunities. As a result, we have combined 'quality protection solutions' with 'innovation and product stewardship', to reflect the integrated way in which these topics are now managed within the business. Similarly, we have absorbed 'chemicals and hazardous waste' into aspects of 'health and safety', 'innovation and product stewardship' and 'environmental impact and compliance'. The definition and boundaries of our material topics are outlined on page 65.



Our material topics

Better Society	Labour rights Employee health and safety Recruitment and engagement	Diversity and inclusion Community engagement and investment Business ethics and governance
Better Environment	Energy and emissions Responsible supply chains Water Climate risk	Operational resource efficiency and waste minimalisation Environmental impact and compliance
Better Business	Innovation and product stewardship	Business continuity and demand response

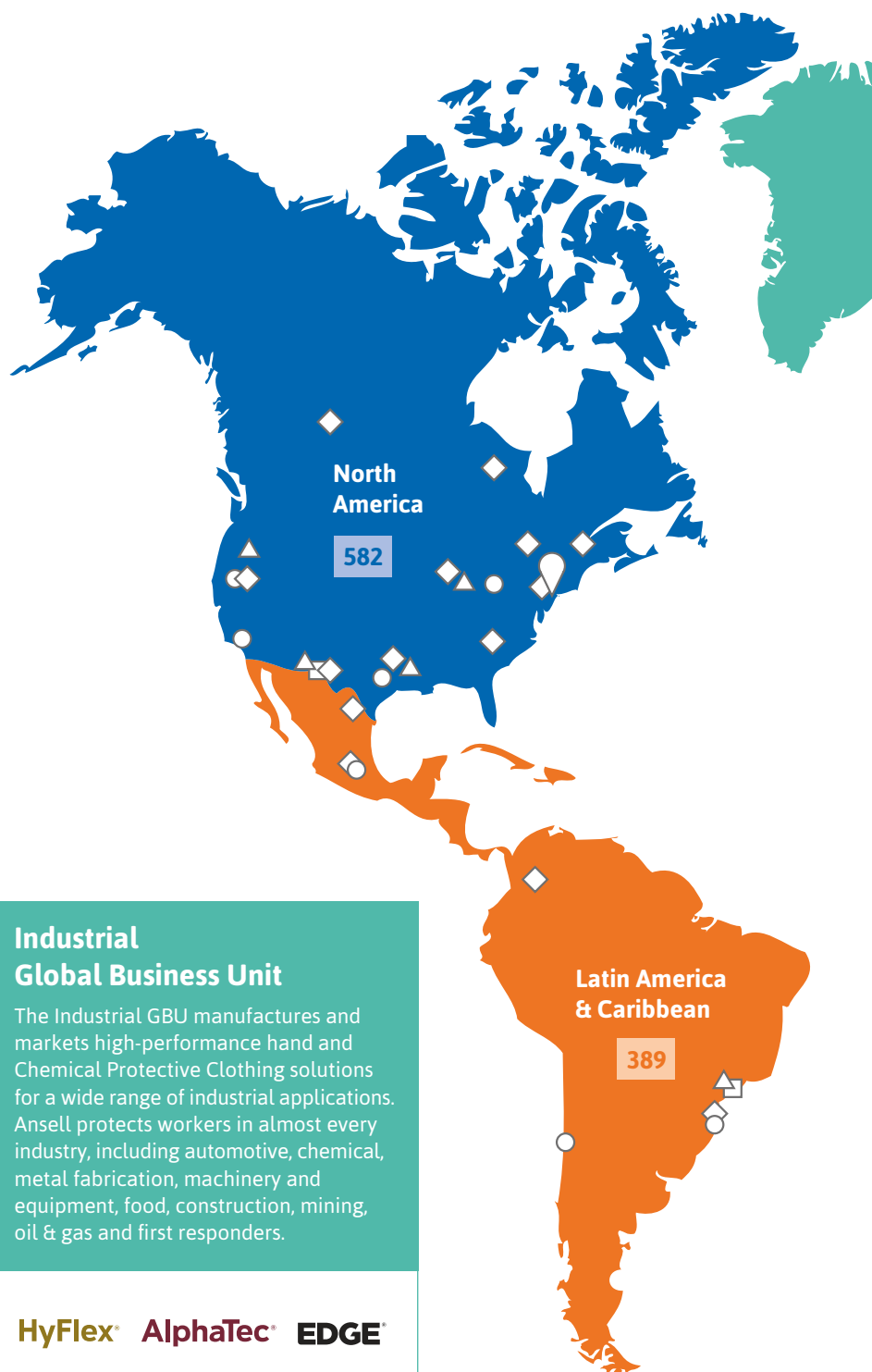
Note: The most material topics are shown in bold.

About Ansell

For more than 125 years, Ansell has delivered advanced protection solutions to millions of people, both at work and at home.

Ansell is a global company employing more than 14,000 people in 58 countries. Ansell Limited is domiciled in Melbourne, Australia and is listed on the Australian Securities Exchange (ASX). Ansell has four corporate headquarters – Melbourne, Australia; Brussels, Belgium; New Jersey, United States and Cyberjaya in Malaysia. Our manufacturing sites, offices, research and development and distribution sites are set out on the map of our operations on the right.

Ansell continually invests in the research, development, manufacture and distribution of cutting-edge products and technology, marketed under well-known brands that customers trust. Operating across two business segments, Industrial and Healthcare, Ansell is a market leader, selling protection solutions to customers in more than 100 countries.



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.

MICROFLEX® **TouchNTuff®**

GAMMEX®

SANDEL®

ENCORE®

BioClean®

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®





Our largest manufacturing facilities are in Malaysia, Sri Lanka and Thailand, with smaller facilities located in Brazil, China, Lithuania, Portugal, and Vietnam. We opened a new manufacturing site in Russia in June 2021.

Map Key

-  Corporate hubs
-  Offices
-  Manufacturing facilities
-  Warehouse/distribution facilities
-  R&D facilities/Centres of Excellence
-  Employees by region (total 14,159)



Ansell's global approach to operational excellence improves year over year. It is part of an overall commitment that enables us to meet and exceed our manufacturing goals while keeping workers safe and making the best use of natural resources. Here, the compounding control room at Ansell Thailand.

Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) comprise 17 goals and 169 targets aimed at addressing many of the world's most pressing challenges. Ansell believes that business should work alongside governments and civil society to drive action to achieve these goals.

As part of our FY20 materiality assessment we identified six Sustainable Development Goals which we consider Ansell is best placed to impact. As we step up our commitment to reduce our GHG emissions, we have added SDG Goal 13, Climate Action.

In addition Ansell endorses/is a signatory to:

- 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

3 GOOD HEALTH AND WELL-BEING



Ansell's business is closely tied to healthcare.

6 CLEAN WATER AND SANITATION



Some of Ansell's raw materials and associated manufacturing processes are water intensive.

7 AFFORDABLE AND CLEAN ENERGY



Ansell has a role to play in energy efficiency and renewables.

8 DECENT WORK AND ECONOMIC GROWTH



Ansell makes a significant contribution to employment and economic growth, including in lower and middle income countries.

10 REDUCED INEQUALITIES



As a global employer, Ansell can help to address inequality.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Product stewardship is a recent focus area for Ansell and is strongly correlated to Goal 12.

13 CLIMATE ACTION



Ansell supports the Paris Agreement and is responding to the global threat of climate change.

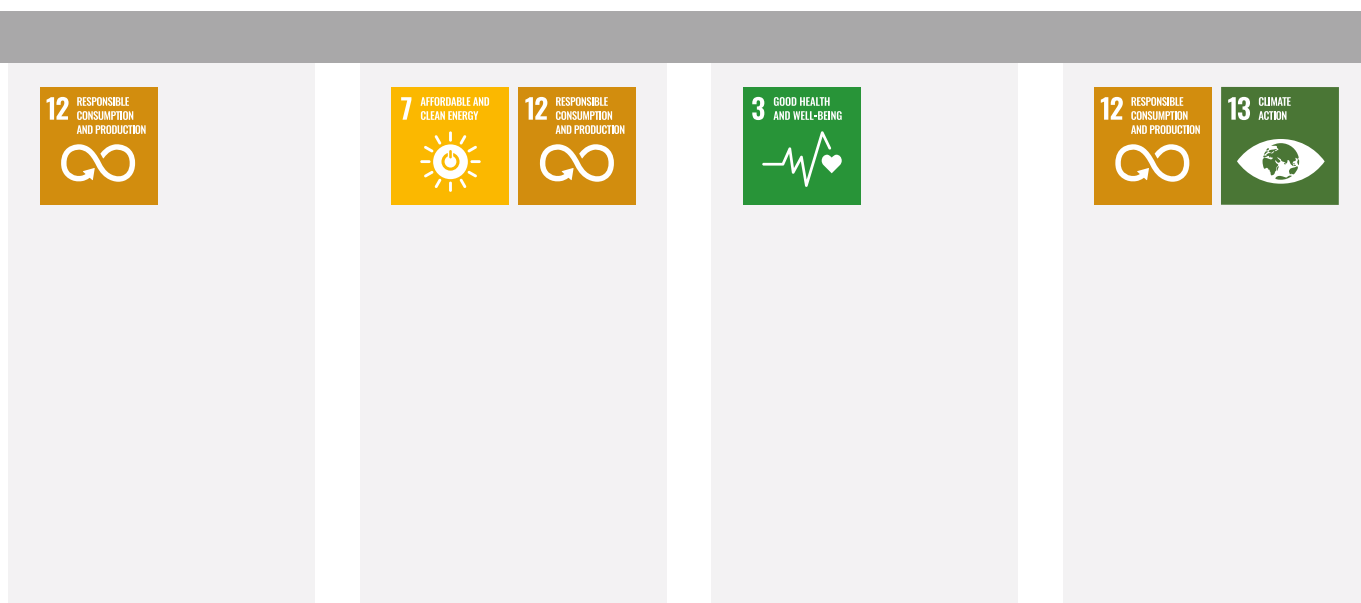


Ansell's value chain



Related Sustainable Development Goals





Value chain impacts

		Governance						
								
		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		●	●	●	●		
	Innovation and product stewardship	●	●	●	●	●	●	●
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	●		●				
	Responsible supply chains	●	●	●		●		

Our stakeholders

We aim to build strong relationships with our key stakeholders and business partners. Transparent and open communication is central to building trust in our brand and products, which in turn is key to our success. We engage with stakeholders on a broad range of topics that span our value chain and the full suite of our business activities, from product design and sourcing through to manufacturing, use and end of life. Our ongoing stakeholder engagement informs us of the structure and level of detail in our reporting, and our method of engagement varies depending on the type of stakeholder and the nature of their interest, as set out below.

Stakeholders continue to show an elevated interest in Ansell's sustainability topics and a keen enthusiasm to be kept informed and engaged on these topics. In recent years, we have deployed our existing communication channels, such as direct meetings, presentations and evaluation forms with customers and Annual General Meetings, letters and surveys from shareholders and investors, to take our stakeholders on this journey with us.

COVID-19 continues to challenge our ability to engage with our stakeholders in person through traditional forums such as investor presentations and trade shows. As a result, we have increased our use of virtual forums for meetings and presentations and have increasingly communicated directly with stakeholders through phone and video calls.

Stakeholder group	Key areas of interest	How we engaged in FY21
Customers (B2B)	Business conduct Business continuity/reliability of supply Environmental impact and compliance Labour rights Pricing Innovation and product stewardship Responsible supply chains	Customer service interaction Direct engagement Marketing Plant visits Sales and contract negotiations Trade shows Webinars Website
End users	Business continuity Environmental impact and compliance Labour rights Pricing Innovation and product stewardship Responsible supply chains	AnsellGUARDIAN™ Contact through distributors Customer service interaction Customer site visits Marketing Webinars Website
Employees and contractors	Climate risk Community engagement and investment Diversity and inclusion Engagement Environmental impact and compliance Financial performance Health and safety Labour rights	Company-wide email Conferences and events Engagement surveys Innovation Awards Intranet Town halls Training Volunteer and community programs
Investors	Financial performance Material sustainability topics, especially: Climate risk (TCFD), environmental impact and compliance, diversity and inclusion, health and safety and labour rights	Annual General Meetings ASX disclosures Capital market days Chairman's circuit Direct engagement Investor presentations Sustainability road shows Written letters and communications
Local communities	Community engagement and investment Environmental impact and compliance	Education and healthcare support Local events Philanthropic activities Sponsoring Volunteer programs
NGOs	Labour rights Responsible supply chains	Direct engagement Donations/disaster relief support Partnerships Sustainability Report
Regulators	Business conduct Environmental impact and compliance Governance Health and safety Labour rights	Annual Report Direct engagement Participation in business and industry associations Sustainability Report
Suppliers	Business conduct Business continuity Labour rights Product specifications and quality expectations Responsible supply chains	Audits (including third-party audits) Direct engagement Participation in business and industry associations Supplier agreements Supplier Code of Conduct

Governance and business ethics

Our perspective

Our corporate governance framework guides Ansell's culture of integrity, accountability and transparency. By implementing the right governance framework and appointing skilled and independent Non-Executive Directors to our Board, Ansell can best serve shareholders' and stakeholders' long-term interests, maintaining trust in our brand.

Our approach

Our corporate governance approach is guided by Ansell's Board of Directors (Board), values, risk management framework and Code of Conduct. We apply the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles), as summarised in our Corporate Governance statement.

The Board is ultimately responsible for the oversight and review of the management, administration and overall governance of

Ansell. The Board conducts reviews of our governance framework, policies and practices regularly to ensure that they align with shareholders' expectations, global best practice and our internal processes and practices.

The Board met (including Committee meetings) 19 times in FY21, and during this period its key areas of focus were as depicted below.



Board composition and skills

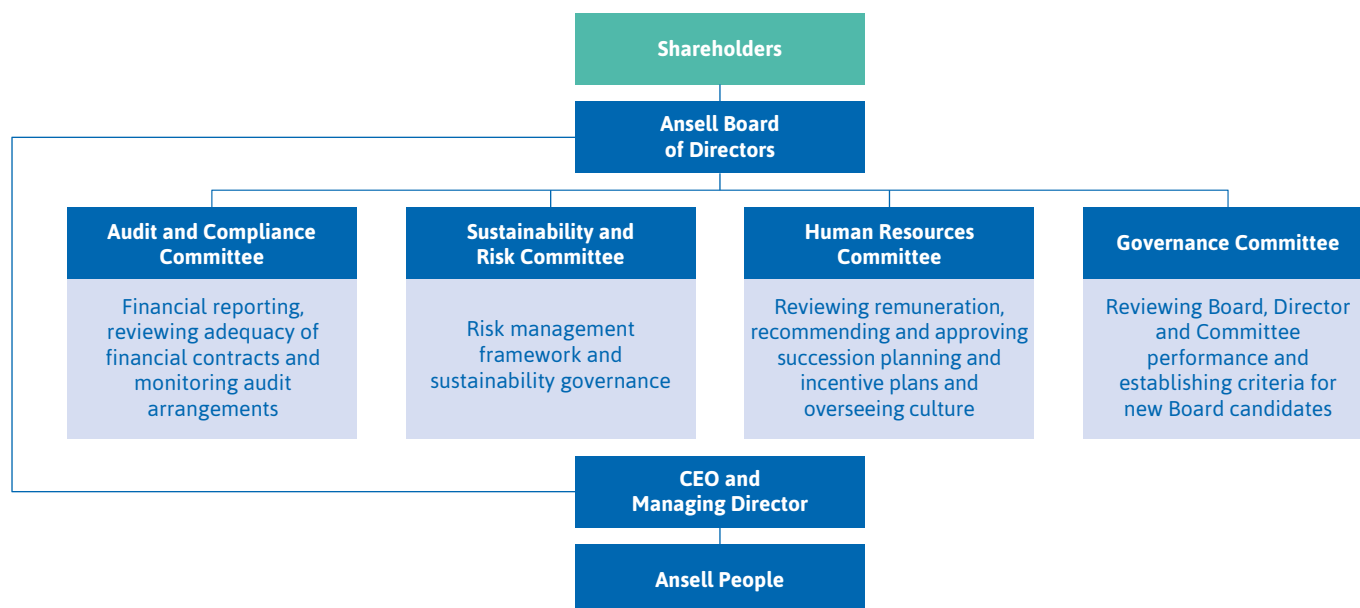
Ansell's Board is currently comprised of four female and four male non-executive directors and the CEO. Our Board Charter and Constitution guides the independence of our Board to ensure that decisions are informed by external views and experiences. The Board formally assesses the independence of its directors annually.

Robust decision-making and governance require a variety of skills and attributes. Ansell maintains a board skills matrix, and Directors are required to self-assess their attributes against the matrix every three years. The skills and attributes listed include leadership, strategy and commercial acumen, international experience, and health, safety and sustainability. Eight of nine directors bring a developed capability or competency in health, safety and sustainability.

The Board self-assesses its performance and each Board Committee, individual Director and the Chairman annually. Every three years the Governance Committee engages external consultants to conduct this review, comparing Ansell's performance against peers and competitors and advising on the skills, attributes and experience required by the Board to meet Ansell's evolving strategic goals. The last review was conducted in FY19.

At this year's Annual General Meeting, Mrs Marissa Peterson and Mr Peter Day will retire from Ansell's Board after more than 15 and 14 years' service respectively, having made a significant contribution to the Company during their tenure. The Board and management wish to acknowledge and thank Mrs Peterson and Mr Day for the significant contribution both have made to the Company over their tenure.

On 8 June 2021 Ansell announced that Mr Neil Salmon would succeed Mr Magnus Nicolin as CEO and Managing Director effective 1 September 2021. Mr Nicolin will continue with Ansell as a Special Advisor to the Board and the new CEO until his retirement on 31 December 2021. The Board and management wish to acknowledge and thank Mr Nicolin for his significant contribution to the Company and for the quality of his leadership and judgement over the past 11 years.



The Board is supported by four standing committees as set out above. The Board can also delegate specific duties to ad-hoc Committees of Directors as required, with the powers delegated to these Committees outlined in Board resolutions.

The four Committees each operate according to their own Charter. These were reviewed and updated where necessary in FY21, except for the Governance Committee Charter which was last updated on 20 June 2019. The Board Charter, and the charter of each of the four standing committees, is available at www.ansell.com/about-us/sustainability/governance.

Each Committee must consist of a majority of independent Non-Executive Directors. Committees may involve independent professional advisers to assist with the discharge of their duties. Details of the qualifications, experience and meeting attendance of each Committee member are set out in the 2021 Annual Report and 2021 Corporate Governance Statement.

Risk management

Effective risk management is core to corporate governance and to ensuring that our business creates long-term shareholder value. Ansell's Risk Management framework enables us to identify, evaluate, manage and report on risks, including non-financial risks such as climate change. Ansell's Risk Appetite Statement is integral to the Risk Management Framework and defines (within practical boundaries) the amount of risk that our organisation is willing to accept in pursuing our strategic objectives.

Our risk management practices include:

- A comprehensive risk control program that includes property protection and health, safety and environmental audits using underwriters, self-audits, and engineering and professional advisers
- Processes to identify the business risks (both financial and non-financial) applicable to each area of Ansell's activities and the maintenance of a specific framework that prioritises and monitors the mitigation of those risks; and
- Regular reporting to the Audit & Compliance Committee or Sustainability & Risk Committee, as appropriate, and the Board.

Ansell's management are responsible for identifying and managing risks, implementing and signing off on risk management policies and systems, and reporting to the Audit & Compliance Committee and Sustainability & Risk Committee.

The Sustainability & Risk Committee is actively engaged in monitoring (among other matters) these non-financial risks and ensures that they are given sufficient priority, alongside financial risks. This is set out in the next sections of this report, with climate risk management on page 49. Further details of Ansell's Risk Management Framework are available in our 2021 Corporate Governance Statement.

Governance and business ethics continued

Business ethics

Ansell aims to achieve the highest legal, moral and ethical standards in all our corporate activities. This goal and Ansell's eight core values (see below) are integrated into our global employee Code of Conduct, which acts as a guide to ethical behaviour and conduct for all employees, directors, executives and management. It is our North star, and sets out our expectations on issues including corruption and bribery, conflicts of interest and social accountability. 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.

All Ansell employees and Directors are required to undertake compliance training programs to keep abreast of relevant legal and industry developments and ethical practices every second year, and topic-specific compliance training on subjects such as fraud awareness every year. In FY21, Ansell provided global Code of Conduct training, competition law training, continuous disclosure training, trade secrets and fraud awareness training. Employees can seek compliance advice by contacting relevant Ansell departments and can report concerns to our Compliance Hotline, which is independently managed. Individuals who report their concerns in good faith are protected from any form of retaliation by Ansell's policies.



Sustainability governance

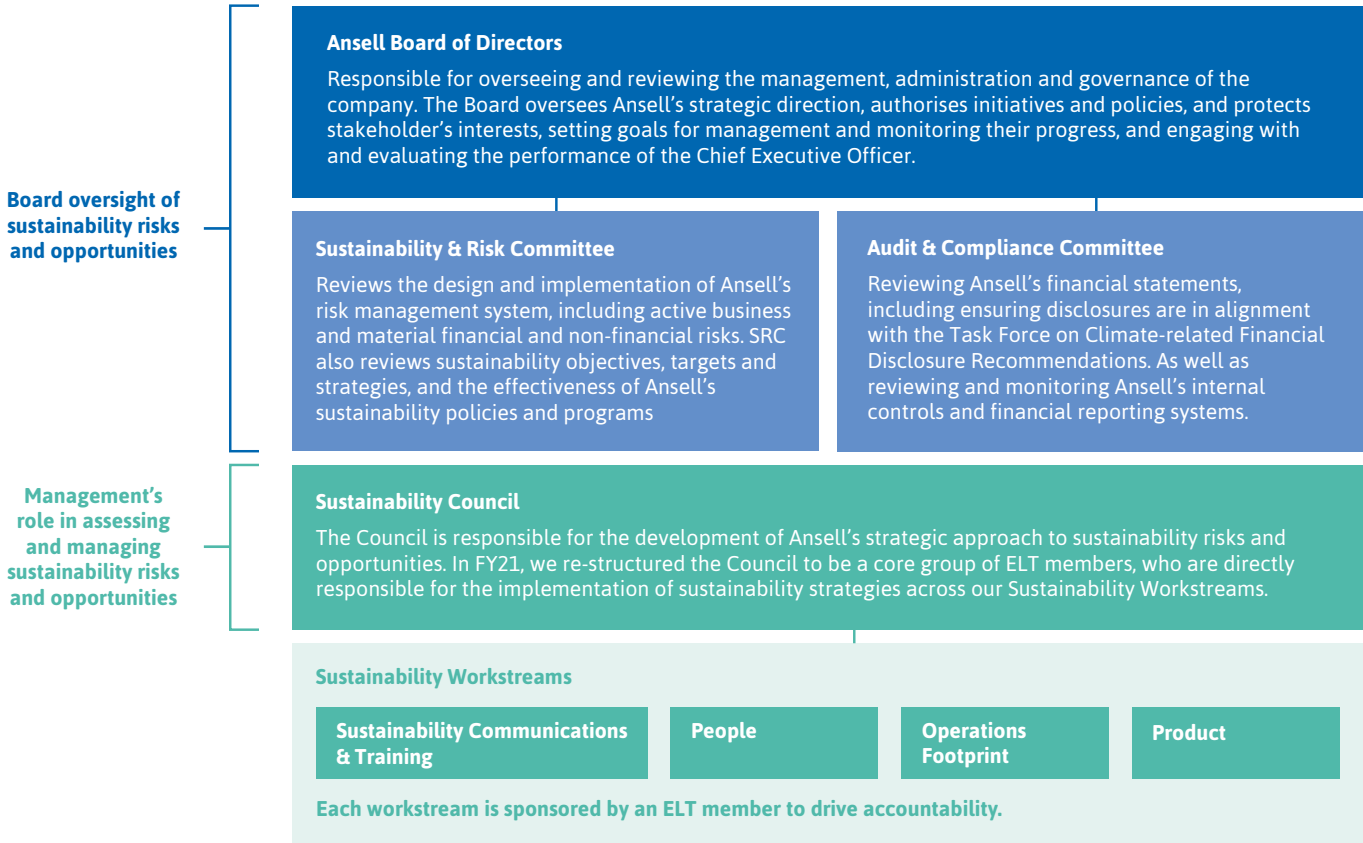
Our perspective

Sound governance is core to achieving sustainability in business. Ansell’s executive-level Sustainability Council is responsible for the development and execution of our sustainability strategy, with oversight by our Board of Directors to ensure that our approach is cohesive and commensurate to the challenges that we face. We believe that our approach to sustainability and its governance will become a differentiator for Ansell in the market.

Sustainability governance structure

Ansell’s Board oversees our approach to sustainability and climate change, with the Board’s Sustainability and Risk Committee (SRC) and the Audit & Compliance Committee (ACC) assisting with governance, monitoring and providing advice to the Board. The SRC and ACC work collaboratively to ensure linkage and alignment between climate-related mitigation activities and Task Force on Climate-related Financial Disclosure Recommendations (primarily the responsibility of the SRC) along with any other finance-required disclosures (primarily the responsibility of the ACC). Refer to the 2021 Corporate Governance Statement for full details of the execution of roles and responsibilities of the SRC & ACC.

The Board and both committees are provided with quarterly updates on Ansell’s sustainability performance. In FY21, key items considered at the SRC included safety performance, progress on environmental impact reduction programs, such as renewable energy and reverse osmosis projects (wastewater), and the rollout of our Labour Standards Management System in key markets. The SRC was also provided regular updates on progress against Ansell’s metrics and targets. Tools such as the environment, health and safety (EHS) dashboard and CSR Workplace Impact Assessment Tracker guide internal reporting against our standards and sustainability goals. The ACC discussed updates on Ansell’s reporting against TCFD standards.



Sustainability governance continued

Sustainability is increasingly integrated into Ansell and sits across all functions, with senior level responsibility for driving progress. This year, we reviewed the function of our Sustainability Governance structure to represent how we execute our sustainability strategy. We re-structured our executive-level Sustainability Council (the 'Council') comprise a core group of Executive Leadership Team members, who are directly responsible for the implementation of sustainability strategies & investments. The Council is responsible for the development

and operational implementation of Ansell's strategic approach to sustainability-related risks and opportunities, and provides regular updates to the CEO and the broader Executive Leadership Team (ELT) as part of monthly ELT meetings.

We also formalised four workstreams, which represent the major components of our sustainability focus, outlined in the table below.

People	Responsible for executing our People Sustainability Strategy and Supplier Management Framework. Key topics include corporate social responsibility (CSR), compliance with our own policies and standards, reviewing alignment with International Labour Organisation (ILO), labour competitiveness, driving our 'learning organisation' culture, diversity and inclusion, and philanthropy.
Operations footprint	Responsible for executing our our environment and people strategies. Key topics include health and safety, our Net Zero strategy and our operational environmental projects such as solar photovoltaics (PV) and reverse osmosis (RO). This workstream is also responsible for our corporate-level environmental projects, our CDP (formerly the Carbon Disclosure Project) reporting and Task Force on Climate-related Financial Disclosure (TCFD) Reporting, with an executive-level steering committee guiding progress against the TCFD's recommendations, as well as tracking against corporate metrics, zero waste to landfill program and verification program for the Greenhouse Gas (GHG) inventory.
Product	Responsible for delivering new product innovations and sustainability programs that enable us to reduce the environmental impact of our products. Topics covered included product and materials innovation, sustainable packaging, product end-of-life treatment and innovation partnerships/collaborations.
Sustainability Communications and Training	Responsible for developing the narrative, messaging hierarchy and strategy used to communicate our current sustainability topics. The Sustainability Communications & Training workstream acts as the bridge between internal and external communications teams (e.g. those responsible for investor relations, customer communication and for our Sustainability Report) and for implementing sustainability training within our organisation.

Each workstream is sponsored by an Executive Leadership Team member and assigned a designated project lead to drive accountability: Our Chief Human Resources Officer monitors labour rights performance and modern slavery risk management at our plants; our Senior Vice President of Operations and Global Supply Chain monitors climate-risk management and environmental performance at our operations and sustainability performance of our supply chains; Ansell's sustainability narrative and communications are crafted by our Senior Vice President of Business Development, Transformation and Corporate Marketing; our President of IGBU and President of HGBU monitors the overall sustainability performance of our operations and supports environmental stewardship in product design; and our Senior Vice President, Corporate General Counsel coordinates the strategic management and prioritisation of the organisation's activities and initiatives.

Project leads are appointed under each workstream. They foster collaboration at mid-management level and are supported by dedicated project teams that reflect the skills and resource requirements of each project. Cross-functional collaborations between project teams have increased in frequency over recent years as we continue to integrate sustainability into business decisions. Furthermore, sustainability responsibilities are integrated into our senior personnel's key performance indicators. For example, our Senior Vice President of Operations and Global Supply Chain, Vice Presidents and site-level General

Managers of the operational team, will be responsible for an internal set of performance objectives around absolute reductions in greenhouse gas emissions, waste and water (see Better Environment section for more detail).

Governance of sustainability within Ansell is supported by a set of comprehensive policies which outline our expected management approach, including:

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

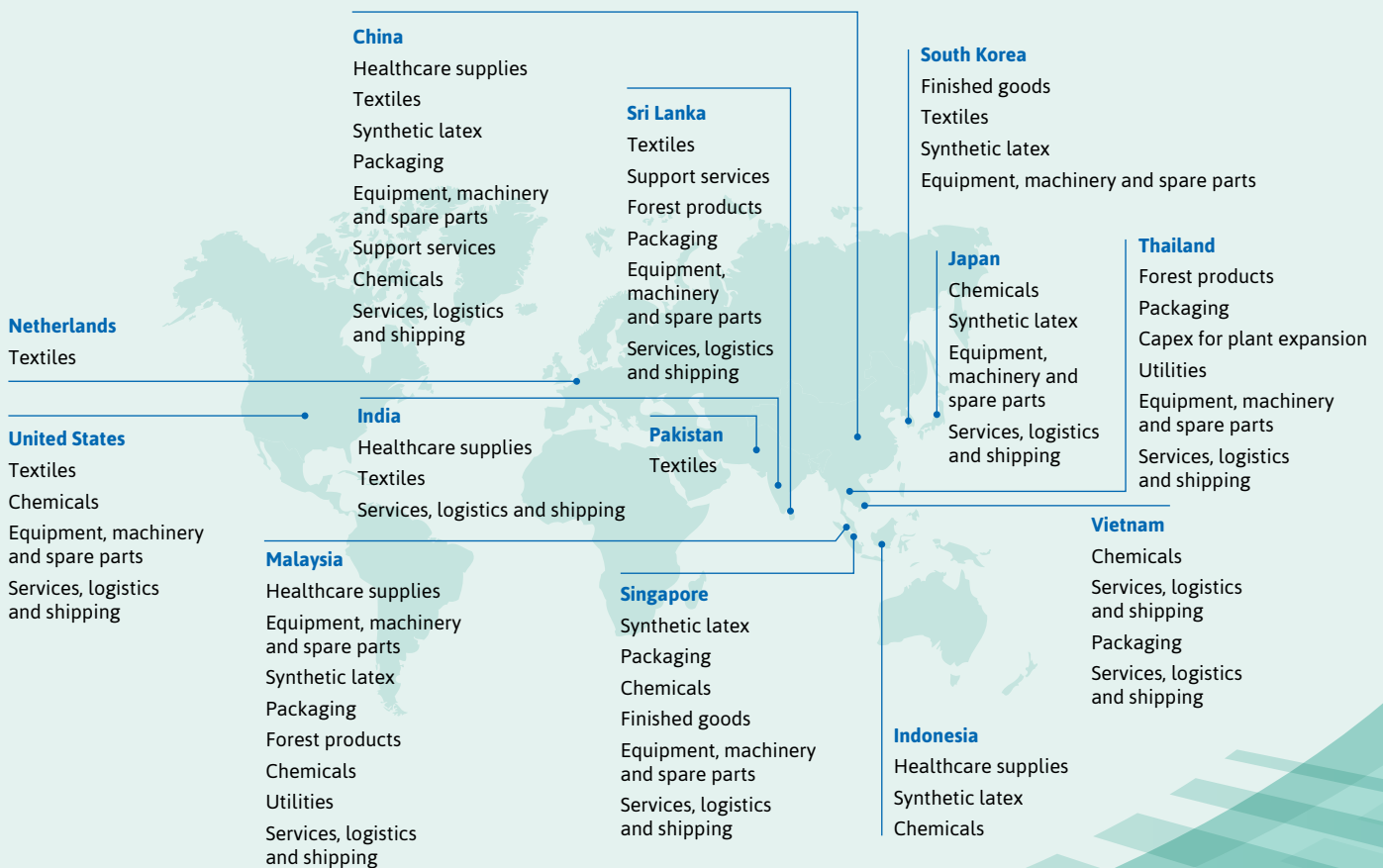
Our supply chain and business continuity

Our perspective

Our customers depend on Ansell to provide high quality goods, reliably and for a reasonable price, without compromising on ethics. That requires us to have trusted relationships with our suppliers and to carefully manage risks – commercial, social and environmental – in our supply chain.

Our approach

Ansell procures goods and services from thousands of direct suppliers in over 40 countries. The map below displays some of our top direct sourcing countries by expenditure and a selection of key product categories sourced from each of these locations in FY21.



Our supply chain and business continuity continued

The table below outlines a selection of some of the goods and categories procured in FY21 that comprise our largest categories of expenditure.

Healthcare supplies	Includes finished goods for resale, such as single-use gloves and masks
Textiles	Such as cotton, nylon and polyester yarn, knitted and dyed fabrics, elastic and zippers
Chemicals	A wide range of chemicals used in the manufacturing of our products, including the petro-chemicals including nitrile, polyisoprene and neoprene
Forest products	Predominantly raw materials such as woodchips and natural rubber latex
Packaging materials	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
Equipment, machinery and spare parts	Parts and machinery maintenance and replacement to support the running of our manufacturing operations
Support services	Services to support the running of our operations including pest, waste and security services as well as cleaning and catering

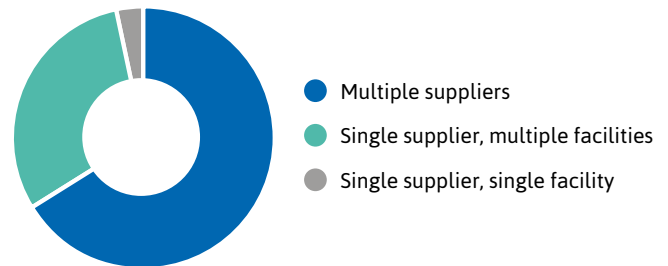
Ansell's procurement is conducted through three channels: the Global Sourcing team; corporate hubs; and individual manufacturing plants and offices. In FY21, we expanded the remit of our Global Sourcing team across plant expansion, logistics, warehousing sourcing and finished goods sourcing in our Healthcare Global Business Unit (HGBU).

This consolidation was driven by a desire to leverage a hub of strategic procurement skills and establish a standardised approach that enables us to more effectively source and manage supplier relationships and product categories. This approach also delivers lower expenditure and enables greater oversight of suppliers' compliance against our standards.

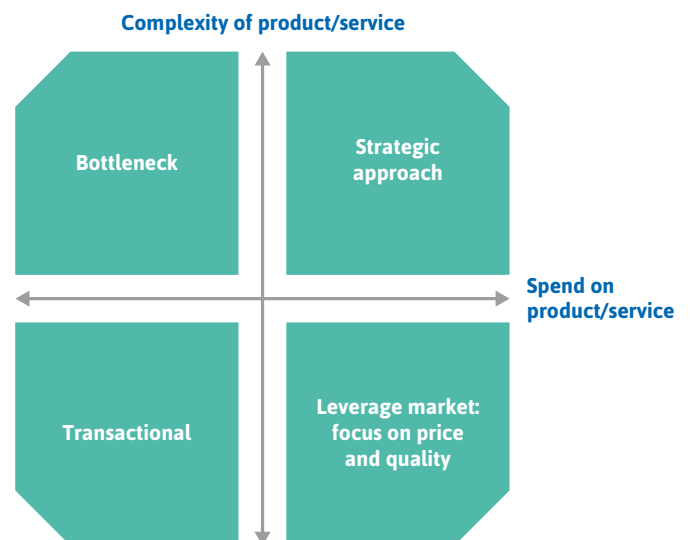
This year, our global sourcing team worked with teams in our manufacturing plants to map and consolidate their sourcing activities, as part of strategic restructuring and portfolio management of the supply chain. Alongside this work, we began to develop and implement a universal taxonomy system to classify expenditure by product and service categories, enabling better analysis of our supplier base.

We segment our supply chain according to concentration risk exposure; wherever possible we aim to have multiple suppliers with multiple facilities for any product category. We also segment by complexity versus spend, in order to tailor our relationships and develop more strategic, long-term alliances where beneficial.

1. Supplier segmentation by concentration risk



2. Supplier segmentation by complexity v. spend



Our Global Sourcing team focused on rationalising our supplier base during FY21, tracking the security of our supplier base for different product categories and maintaining supplier relationships, price negotiation and contract management.

In FY21, we also developed the capability of the Ansell team to respond to crises whilst maintaining business continuity by delivering crisis readiness training, which was delivered virtually to our manufacturing and logistics sites in Thailand, Vietnam, Kedah, Nitritex and Melaka. The training sessions concluded with mock scenarios that test each team's response to critical events that could seriously impact Ansell's reputation and its ability to deliver to its customers.

Kindly refer to our 2021 Annual Report for more details on our supply chain and operational outlook.

Innovation and product stewardship

Our perspective

Ansell delivers advanced protection solutions to keep people safe at work and home. The end users of our products choose Ansell because they trust the quality of our products, and because we anticipate and meet their evolving needs. Innovation drives our business forward, and we are increasingly focused on developing products that not only perform better, but which have lower environmental impact. Our stakeholders have a growing expectation that we will take a product stewardship approach, actively managing the impacts of our products from raw materials through to disposal.

Our approach

Ansell's approach to prioritising quality is set out in our Quality statement and, as our business evolves, the sustainability performance of our products has become an important element of our definition of high quality.

In FY21 we developed a more integrated approach to product innovation and product stewardship, combining our work on material selection, supplier selection and material science with considerations of process innovation and a plan to scale innovations for commercial use. This enabled us to combine our improving understanding of our manufacturing footprint (see Life Cycle Assessments below) with our knowledge of customers' unmet needs and our differential capabilities, resulting in insights that inform our product improvements and new product development.

We have made changes to the structure of our Research and Development teams to reflect this integrated approach to innovation and product stewardship. For example, in our Healthcare Global Business Unit (HGBU) we combined and rationalised four specific product and process-focused teams into three teams that are responsible for life sciences innovations, sustainability and process innovation, respectively. Meanwhile, our Industrial Global Business Unit (IGBU) focused on developing new capabilities around Life Cycle Assessment (LCA) and Design for Sustainability methodology training which gives us the capability to assess the environmental hotspots of our products – from cradle to grave – and embed eco design principles from the early stage of New Products Development cycle. The creation of a dedicated team of sustainability specialists that works across innovations underlines the increased importance of sustainability at Ansell and our ambition for exceptional quality now encompasses not only superior product capability but also lifecycle environmental impacts. To encourage optimal collaboration of our teams, each team works towards overarching Research and Development objectives.

Our research and development take a 'stage-gate' approach, in which we align innovation priorities with business growth projections and customer needs, making decisions on investment and resource. We identify the risks associated with our innovations from ideation stage through to scale-up and commercial launch, developing a plan to mitigate these risks. In FY21 we standardised our stage-gate approach across our Industrial Global Business Unit.

In order to assess whether we are introducing the right innovations to market at the right time, we measure the percentage of annual revenue generated by new product development and its contribution to our 2024 long-range business targets. New product development ideas are also driven by customer feedback, market trends, our research and the knowledge of our teams.

We apply our stage-gate approach not only to new product development, but also when updating our best-sellers to meet customers' evolving needs. Our customers' feedback on usability, effectiveness and end-of-life treatment of existing products is a valuable input to this product improvement process. Importantly, we require all new and existing products to be compliant with the most stringent material regulations around the world, such as the REACH framework and Proposition 65.

Our performance

In FY21, in response to COVID-19, we reduced the overall range of our product portfolio so that we could focus our production capacity on meeting the sustained increased demand for protective solutions needed to combat the pandemic. To support this with technical expertise at the production sites, we expanded our R&D teams in Melaka, Kedah and Bangkok.

Innovation and product stewardship continued

Life Cycle Assessments

During FY21 we conducted Life Cycle Assessment (LCA) screenings on the environmental impact of multiple products from our Industrial Global Business Unit (IGBU) and Healthcare Global Business Unit (HGBU) which includes carbon footprint and water footprint. We did this to identify the environmental hotspots across our product portfolio and establish a baseline understanding of our current product and packaging footprint. This will enable us to develop a more strategic approach to reducing our impacts from product design, packaging, sourcing and production, through to the end of life of our products. Our approach to LCA was guided by the ISO14040 framework. The science driven Life Cycle Assessment approach also enables us to compare different products and their environmental impact – from cradle (raw materials) to grave (end of life disposal or recycling).

In particular, we completed screening LCAs of our Multi-Purpose and natural rubber latex gloves to assess the carbon footprint of reusable and single-use gloves and to identify opportunities for reduction of our environmental footprint. Our results showed that nearly half of the footprint of the selected re-usable glove comes from the embedded emissions in the nylon yarn used to produce them, whilst the biggest impacts for our single-use gloves occurred at the manufacturing and end-of-life stages.

We use this information to continue to develop our product stewardship strategy and focus on 'hotspots'. For example, we are currently exploring alternative raw materials to produce our gloves, focusing on our committed investment portfolio on renewable energy, water conservation and waste reduction, reviewing our packaging design and manufacturing, and exploring alternative end-of-life options of our products.

It is important to note that our products are designed to protect. This results in complexities in product design and development, and differences in use. For example, we create products used by medical professionals, products used to prevent exposure when handling pesticides, and products to suppress electrostatic charges when working with sensitive electronic equipment. Therefore, we need to identify opportunities to reduce carbon footprint without compromising the safety of the user. Furthermore, disposal options for products used to handle hazardous substances, such as chemical or medical waste, are restricted by local laws and regulations to avoid contamination to the general public and the environment. Given these challenges, we believe that accurate information and cross-industry knowledge sharing is vital. We will continue to perform comprehensive and third-party certifiable assessments, collaborate with universities and other partners, and work together with customers and other stakeholders. After establishing a baseline footprint, we will seek to develop data-driven targets and action plans to reduce the environmental footprint of our products in the coming years.

Sustainable Packaging at Ansell

Ansell's packaging protects the product functionality essential to end users across industry and healthcare sectors. Packaging includes information about relevant regulatory product-related aspects. Despite its important functionality, single use packaging is disposed of at the moment of end use, creating waste that our customers need to handle within their respective local waste management schemes. Packaging is a relevant element of the products' life cycle with multiple opportunities for product environmental footprint reduction.

The majority of Industrial and Healthcare products' packaging is made from recyclable materials, and some of the pulp-based materials use recycled content. Examples are illustrated below.

Sustainable Packaging Progress



Inner dispenser boxes

Recyclable packaging, made with recycled materials.



Paper components

Instructions for Use (IFU) or other paper inserts – recyclable on the market and with varied degree of recycled content.



Shipper cases

Cardboard used for shipper cases and inner boxes – recyclable on the market and with varied degree of recycled content.



Plastic inner packaging

Made out of Polyethylene or its variants (PE, LDPE, HDPE) – classified as recyclable material.

Continuing to make the right choices on material use and packaging design are crucial for environmentally-friendly packaging. For example, the complex and multi-layer construction of plastic film is designed to prevent contamination of surgical glove products. Hence, rather than excluding the plastic film, it is beneficial to the user for the packaging to utilise lower impact raw materials in design.

Therefore, we continuously revisit how we design and prepare packaging of our products, with the aim of reducing environmental impacts. In FY20, we rolled-out a comprehensive, cross-functional program for our industrial products, which focused on three main components: 'Remove', 'Reduce' and 'Replace'. In FY21, we established the baseline for our reduction activities and targets. The main components of the baseline were Life Cycle Assessments for our entire range of industrial product packaging, laboratory tests to understand the needs for product functionality protection and market screening for available solutions and alternative materials.

The assessment identified four areas that make up 91% of our total upstream greenhouse gas emissions and 94% of packaging consumption. These include the cases used to ship our products, inner plastic packaging, regulations-driven instructions for use (IFUs) on our products and marketing U-cards included with deliveries:

% contribution of upstream greenhouse gas emissions* and material use from IGBU hand protection packaging

Inner plastic packaging

30% of total packaging emissions

13% of total material use

Shipper cases

29% of total packaging emissions

62% of total material use

IFUs

29% of total packaging emissions

15% of total material use

U-cards

4% of total packaging emissions

4% of total material use

* Greenhouse gas emissions are calculated in kg CO₂ equivalent metrics and material use is calculated as total weight of packaging material, both in annual terms for hand protection Industrial Range.

In FY21, we completed the development of our sustainable packaging strategic plan and are proud to announce our packaging pledge and strategic priorities.

Ansell's Packaging Pledge
Every packaging choice to be science and life cycle assessment based to minimise environmental impact to keep our planet safe while protecting our products that keep people safe.

To accomplish our commitment, we have set the following targets and strategic priorities which are designed to reduce the environmental impact within the largest hotspots of the current packaging configurations:

Choices for LIFE represented by packaging use and application

Minimise packaging use by 2026

By reducing paper and plastic use

Through the following strategic priorities:

- Removal of zero use packaging components
- Leading the market to digital
- Reduction of packaging material utilisation
- Sustainability driven choices of packaging configurations
- Shipping volume minimisation

Partnerships

With suppliers and customers as a way of working towards positive environmental impact.

Choices for END-OF-LIFE towards circularity

100% of packaging material to be recyclable, reusable or compostable by 2026 through the following strategic priorities:

- Fully recyclable and right material choices
- Innovative circular solutions
- Zero waste to landfill commitment in own operations

Active environmental stewardship within own supply chain

For a move towards environmentally friendly materials

Through the following strategic priorities:

- Leadership towards recycling and responsibility
- Advocacy for zero waste to landfill
- Communication strategy

Innovation and product stewardship continued

To accomplish our vision and goals represented by the packaging pledge and building off the established baseline, we designed our strategy to reduce the impact of the identified hotspots for our product packaging. Implementation will take place over the next five years, starting in FY22, during which action plans and strategies under the pledge will be rolled-out to IGBU and other product streams, and we will make obvious changes to packaging configurations and material use.

Strategic Priorities	Programs	Project planned for completion by FY22
Shipping volume minimisation	Shipper case management	- Standardisation and optimisation of shipper case dimensions - Completion of Downstream and End-of-Life Life Cycle Assessment
Innovative circular solutions		
Lead the market to digital	Packaging Content Digitisation	- Removal of paper IFU for North America and Latin America - Digital IFU on product pages
Lobby for removal of paper content mandated on regulated markets		
Removal of zero-use components	Inner packaging optimisation (paper and plastic)	- Completion of Downstream and End-of-Life Life Cycle Assessment - IFU APAC & EMEA region right sizing through content and weight reduction, and reduction of plastic thickness and paper grammage - Removal of zero-use items
Reduction of packaging material utilisation		
Sustainability driven choices of packaging configurations		
Innovative circular solutions		
Leadership towards recycling and responsibility	Sustainable materials leadership	- Completion of Downstream and End-of-Life Life Cycle Assessment - Develop sustainable packaging guidelines to include - Grammages of paper, plastic and cardboard materials; Alternative material options; and Recycled and responsible material marking

Moreover, several background projects have been put in place to develop more sustainable solutions for implementation in the coming years, so customers and packaging partners will be invited to provide inputs for decisions and roadmap ahead. We will also roll out the initiatives and activities identified in the 'Sustainable Packaging Strategic Plan' to healthcare product packaging design as we continue to improve our approach. We invite our partners and customers to join us on this transformation journey and share the wins we will make for keeping the planet safe.

Innovation partnerships

Innovation happens when we work together, and in FY21 we leveraged the power of collaboration by establishing new technology partnerships with raw material suppliers, universities and other businesses, adopting an open innovation approach. This resulted in increasing to twenty the number of active Non-Disclosure Agreements (NDAs) dedicated to exploring circular economy solutions.

Case study: Exploring waste-to-energy co-processing with Geocycle

The sanitation requirements of our healthcare gloves mean that recycling is not always an end-of-life option and most are currently incinerated, generating greenhouse gas emissions. To explore lower impact options for our healthcare glove waste, in FY21 we partnered with Geocycle, a global waste management solution provider, to test the feasibility of co-processing our glove waste in the cement industry. Co-processing of glove waste in cement kilns recycles material and recovers energy inherent in the waste into the cement manufacturing process.



Case study: Improving safety in connected workplaces through technology-enabled innovative solutions

Ansell is introducing a new Software as a Service (SaaS) solution brand, Inteliforz™, to combine the design and information of our products and business experience with partners who provide expertise and innovation in the technology space, with the aim of providing improved safety products and solutions to customers. Inteliforz technology™ identifies risky behaviors in the workplace through data and analytics, thereby providing leading indicators that help to prevent injuries, such as work-related Musculoskeletal disorders (MSDs). For example, by integrating the use of digital technology into our gloves or personal protection equipment we can track risky hands and wrist movements among workers through data and analytics and the help to move these into safer work practices, thus helping to prevent injury. We understand that data privacy and the ethical management of data is a potential risk for this innovation and are therefore anonymising all user data collected and working exclusively with General Data Protection Regulation compliant partners.



Case study: Evolution of our cut protection innovation towards lighter and more durable gloves

Over the course of FY21, we brought our new HyFlex® 11-561 cut protection glove to market. Offering all-day comfort for a variety of industrial applications, the 11-561 is now the thinnest, lightest ISO cut C/ANSI A3 glove on the market, with more than 2x greater durability than its closest overall comparable competitive glove offering.

Our IGBU Research & Development teams are focused on continuously increasing comfort, dexterity and durability without compromising cut protection. Over the years, we have introduced first-to-market innovations onto the ISO cut C level segment.

Thanks to our knowledge in materials science, coatings and process technologies, the comfort of workers has been enhanced by reducing by 25% the average weight of cut resistant, more breathable gloves while also increasing durability and extending the lifetime of the gloves with the Ansell Fortix coating platform and thumb crotch reinforcement technology.

HyFlex® 11-561 carbon footprint is 30% lower to previous generation ISO cut C/ANSI A3 protection glove.

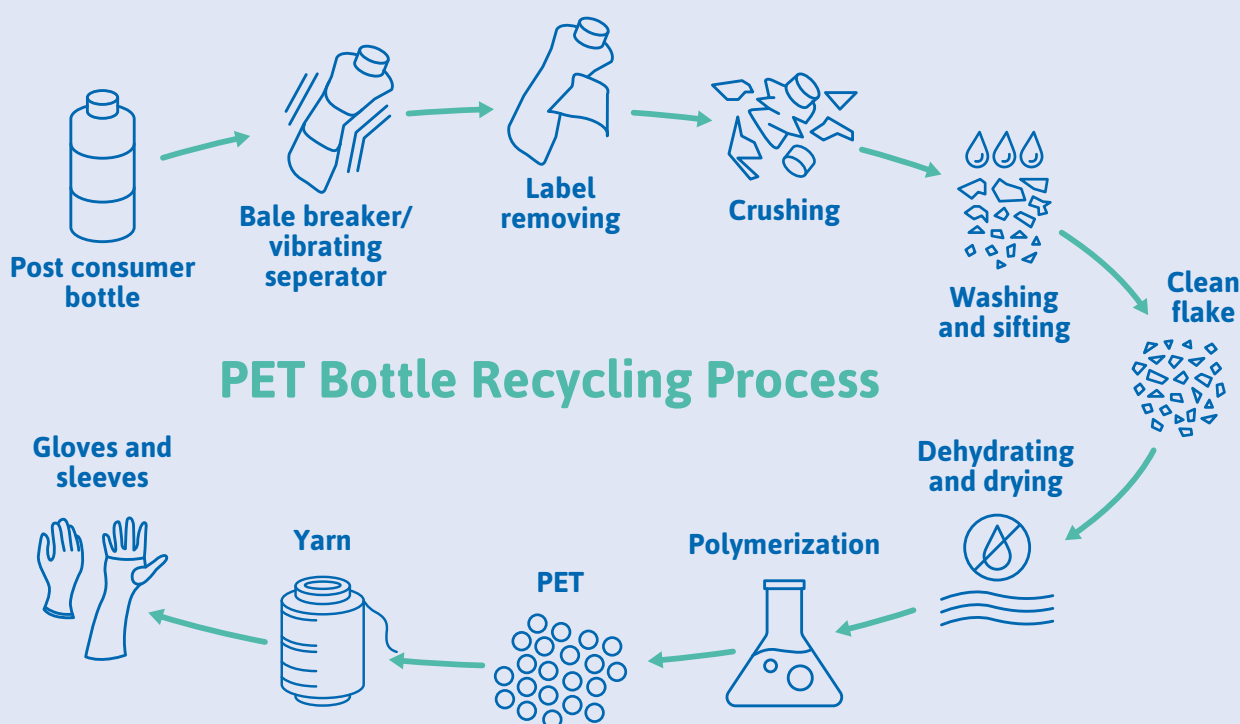


ISO cut C/ANSI A3 protection glove with **30% lower carbon footprint** vs. previous generation (as per cradle to grave LCA method: IPCC 2013 GWP 100a; ISO 14040 peer review pending)

Innovation and product stewardship continued

Case study: Employee innovation – Replacing virgin polyester with recycled yarn in our IGBU gloves

Ansell Textiles Lanka (ATL) in Sri Lanka uses 5,000kg of polyester yarn every year to produce the coloured overedging (equivalent to a hem) that indicates the sizes of our gloves. A talented, cross-functional team at the plant collaborated to pioneer the idea of using recycled polyester as an alternative to petroleum-derived yarn. The recycled polyester has the same properties as virgin polyester and can be manufactured into the coloured yarns required, whilst using 40% less energy. Uniquely, the team used recycled polyester yarn from a supplier that was processing PET bottles (made from post consumer waste, manufacturing rejects and collected from beach and waterway cleanups) into recycled polyester yarn. We estimate that switching to recycled polyester for our glove overedging will prevent 225,000 PET bottles from going to landfill annually, in turn avoiding associated soil contamination, air and water pollution, while saving ATL \$20,000 in lower supply costs. The ingenuity of this team was recognised at the Ansell Innovation Awards with a Gold Award, and was bolstered by support towards commercial production in FY21, before beginning its rollout to 100% of our overedging at ATL.



Looking ahead

As part of our strategy to identify alternative end-of-life options for our HGBU gloves, we will be conducting a pilot launch of a compostable glove in FY22 in our Asian and European markets.

Applying the ISO 14040 Life Cycle Assessment method, we will make careful choices about our materials and process technologies selection. In FY22, we will conduct Design for Sustainability (DfS) pilot projects across our IGBU key products families. We are aiming at more than 50% of our new IGBU products going forward to have a reduced cradle to grave life cycle environmental impact vs. existing generation of safety solutions.

We will continue to explore options to reduce the environmental impact of our products, including the use of collaborations with universities and partnerships with industry peers to lower the end-of-life impacts of our products, and assessing our capabilities around aerobic and anaerobic product biodegradability.

Ansell remains committed to transparency, providing only the most accurate and straightforward information about our products' environmental impact and life cycle, from raw materials to disposal. Led by science and data, we endeavor to take our customers on this journey with us, every step of the way.

Expanding the digital capability of our products is also a priority for our business, and we are testing the use of more disruptive technologies, such as the applicability of smart sensors to detect controlled and dangerous substances.

Employee health and safety

Our perspective

Our mission is to protect people, and our commitment to safety extends beyond our core products into our own operations. To ensure that all our employees and contractors can go home safe every day, we need to be vigilant to identify and mitigate potential hazards at our manufacturing sites, distribution centres and corporate offices. Our approach to safety has evolved during the COVID-19 pandemic, with Ansell working in greater partnership with public health authorities and third parties to protect our people during outbreaks.

Our approach

Ansell's 5-Point Safety Charter sets the roles and responsibilities of managers and other employees with regard to safety, and our 'Core Standards' establishes the framework of our EHS management system and covers all employees and contractors. Our safety management systems adhere to the US Occupational Safety and Health Administration (OSHA) and Australian regulatory requirements.

Transforming our safety culture

In FY21, we emphasised the core responsibility of the site leadership teams to minimise and prevent injuries, and extended accountability for environment, health and safety (EHS) beyond our Global EHS team to the Operational Leadership Team, General Managers and Site Managers, as well as non-EHS specialists at our sites. We did this to elevate the responsibility of our site leadership teams for safety alongside financial performance, and to ensure that each site is more equipped, engaged and knowledgeable when it comes to health and safety, and can set a direction for their own improvement, responding to the varied challenges that occur in different country contexts. By localising ownership of health and safety, we aim to transform our safety culture into a leadership culture.

A critical transformation this year was our focus top ten High-Risk Tasks (HRTs) and broadening their associated standard operating procedures to include required health and safety competencies. For example, we require a minimum number of Subject Matter Experts for each HRT and everyone engaging with a HRT requires a minimum set of competencies. We also placed greater emphasis on active engagement of our site leadership teams in implementing HRT procedures. The level and the penetration of the competencies required by the site teams, including General Managers, were assessed down to each role and integrated into the training plans to ensure core competencies and expertise are available at site level to carry out the HRTs safely.

To assess the application of the newly introduced HRT procedures and identify areas for improvements, we conducted virtual audits and focus group discussions with General Managers and the site leadership teams. This involved Incident Cause Analysis Method (ICAM) to conduct effective incident investigations and drilling down to identify root causes, a method that we re-trained our Global EHS Team and EHS leaders in during FY21. The learnings from the ICAM methodology have been shared across sites and integrated into our Standard Operating Procedures, and also helped identify organisational factors specifically to enhance the safety of people.

Evolving dashboard reporting

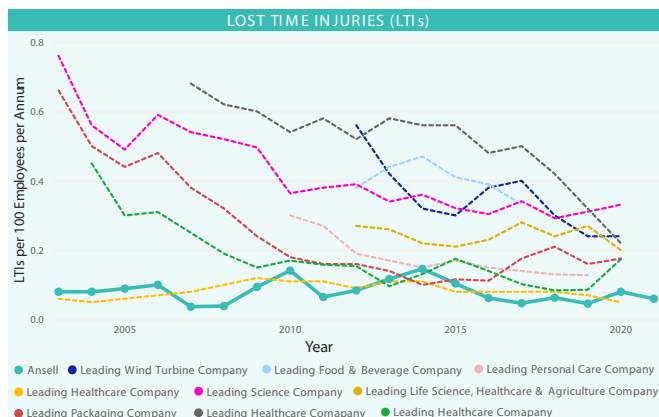
In FY21, in addition to recommending site-specific improvements, our Global EHS team used the richer data collected through EHS dashboards to apply the learnings from one site across the whole business. Every site with ten or more employees is required to maintain a dashboard of leading and lagging indicators shared with the business unit and aggregated for review at monthly risk management meetings by the Operational Leadership Team (OLT). Health and safety incidents from our sites are escalated to our OLT for scrutiny and remedial actions. Quarterly reporting is undertaken to keep the ELT and Board updated on health and safety performance and action planned.

We have also increased the detail required on the EHS dashboards and the level of scrutiny applied by the Global EHS team when auditing sites' performance. For example, sites now report the levels of employee engagement and leadership commitment to the global health and safety standards in addition to the implementation of the standards. Evaluating these human factors alongside implementation of Ansell's global standards will help to strengthen a strong accountability culture towards health and safety. Read more about other reporting measures, such as SOTEIRA and 'Gemba Walks' on the following page.

Employee health and safety continued

Our performance

Goal: Sustain the lowest injury rates in the industry, with a continued 10% YOY reduction in Lost Time Injuries (LTI) and Medical Treatment Injuries (MTI).



A comparison of Ansell safety performance against that of comparable market-leading global manufacturers drawn from publicly available website data through 2021 illustrates Ansell's best-in-class safety record in Lost Time Injuries. Ansell also achieved excellent safety performance in Medical Treatment Injuries. The Company's multi-year safety record reflects a strong emphasis on safety products, safety culture, safety expertise and continuous improvement. More details on our performance and methodology are on page 62 of this report. Note data as of June 2021.

During FY21, our safety performance remained on track due to continuous focus and dedication by our Global and site EHS and leadership teams. We report a 26% decrease in our LTI frequency from FY20. This decrease is primarily attributable to our increased focus on HRTs and incident investigations, as discussed earlier in this report. Extending accountability for safety performance beyond the Global EHS team effectively raised safety awareness and encouraged reporting at the sites. This change led to significant increase in the reporting of near miss incidences, resulting in a six-point improvement, our biggest to date, in our near miss frequency rate. One of the on-site initiatives that encouraged reporting is 'Gemba Walks', where managers perform daily walks to engage employees on safety, identify unsafe behaviours before they turn into accidents, and investigate near miss incidents. In FY21, we also introduced a real-time reporting tool called SOTERIA to report and monitor incident investigations. More details are described in this section.

We also observed a year-on-year increase in Days Lost Frequency due to reported injuries that caused employees to be off work for extended periods of time. Our, MTI frequency increased by 17% year-on-year. As we continue to improve our efforts on management of HRTs and address organisational and human factors through lessons learned, we believe we will be able to significantly decrease the number and the rate of MTIs.

During the year a number of Ansell employees tested positive for COVID-19 when community cases peaked in countries in which we operate. Ansell performed contact tracing and other measures, and the source of COVID-19 cases did not emerge or were not conclusive as work-related incidents. Since FY20, Ansell acted quickly to establish strict COVID-19 safety and testing protocols and reporting procedures at all sites to prevent clusters. We also implemented government-approved controls to prevent the spread of COVID-19, voluntary testing of employees to detect cases early, and internal reporting and disclosures to relevant local authorities. More details are provided below on managing health and safety during COVID-19.

Health and safety reporting

In FY21, to drive site-level engagement in health and safety and enable more real-time reporting of incidents and near misses, we implemented SOTERIA, an online hazard reporting system at our Biyagama and Seeduwa plants in Sri Lanka, and in Thailand and Vietnam. Employees on the floor can take and upload photos of hazards, incidents and near misses onto the system. Site-level safety committees then review these photos and significant hazards and risks are escalated to our Vice Presidents. We received positive feedback on the roll-out of the system in selected plants as it improved management oversight and monitoring of reported incidences and close-out periods. We are exploring whether to develop this system into an app to further drive usability, mindful that not all employees can use their phone in operational areas for security and safety reasons.

Managing health and safety during COVID-19

Managing health and safety during COVID-19 remained a key focus for us in FY21, with Ansell providing employees with masks, sanitation facilities and temperature and blood oxygen checks, alongside guidance on how to protect themselves and their families.

In early 2020, Ansell established our first COVID-19 safety protocols and our first COVID-19 crisis team at our plant in



At Ansell's IGBU plant in Sri Lanka, line managers gather for briefings from Employee Health & Safety managers during each shift for daily COVID-19 updates, part of the rigorous safety practices in place at all Ansell manufacturing facilities.

Xiamen, China. We were swift to implement best practice safety measures in Xiamen, and we shared these protocols among our plants and other Ansell locations as the virus spread.

We reconfigured our plant layouts to allow for social distancing and implemented zoning to segregate different areas to prevent infections from spreading across departments. In FY21, we supported our third-party distribution centres to introduce COVID-19 safety protocols by sharing our procedures, signage and communications as guidance. In addition, we supplied these sites with face masks at a time when public supply of Personal Protective Equipment (PPE) was low.

We also established a 'Cluster Buster' strategy to identify any outbreak or cluster early to facilitate effective intervention to contain the spread of infection and protect at-risk employees. We split our plant into segregated zones and conducted voluntary randomised COVID-19 testing based on the headcount in each plant and zone on a weekly basis. We also closely followed the recommended safety measures from the World Health Organisation (WHO) and local governments to promptly update our procedures. Execution status of activities under 'Cluster Buster' are reported regularly during local and global management meetings.

These protocols have been shared as an example of best practice by Public Health Authorities in Sri Lanka and appreciated by many government authorities across the operating countries where our manufacturing plants are located. We have since rolled out this approach across all plants.

Interim care centres in Sri Lanka

A randomised COVID-19 test of employees in one of the packing departments in Sri Lanka identified a spike in positive cases. Subsequently, the entire department of 600 employees agreed to be voluntarily tested. Based on the results, site EHS isolated approximately 300 at-risk employees from one shift. The entire packing department was immediately closed for four days to prevent any further spread of COVID-19. Employees who tested positive volunteered to self-isolate at a private care centre, while their close contacts were quarantined at home.

After deep cleaning and sanitising, site EHS gradually reintroduced the employees who had tested negative and were not close contacts of those who had tested positive, and maintained randomised testing of direct and close contacts of COVID-19-positive employees. Steps taken to isolate and manage the cluster was done in close consultation with government health authorities.

To contain the spread of COVID-19, the Sri Lankan government and private companies operate interim care facilities for individuals who have tested positive and are asymptomatic, but with the second wave of coronavirus in 2020, these facilities were overstretched. So, to keep our people and their families safe, Ansell rented a dedicated government-approved interim care facility with 60 rooms to isolate employees who tested positive. Employees at the facility have access to a visiting doctor and access to an ICU-equipped hospital to facilitate quick and regular care.



In South East Asia, COVID-19 infection rates remain high. Many manufacturing companies, including Ansell, are government-mandated to operate with reduced workforce in order to maintain social distancing and minimise the risk of infection to employees. Obtaining vaccines is critical to keeping workers safe, building employee confidence and morale during the long days of the pandemic, and returning factories to full operational capacity. We established PCR testing at our plants, and have increased testing frequency. The ability to obtain vaccines, through either governments or private sources, varies from country to country. From Mexico to Malaysia, Ansell has been successful in securing vaccines for employees who wish to be vaccinated. Here, 3,000 workers at our Sri Lanka plants received vaccinations in June 2021. Vaccine roll-out will be a priority for early FY22.

Wellbeing

With COVID-19 as our continued health and safety priority in FY21, we significantly expanded our wellbeing programs for employees. Our organisation-wide 'Back to Better' approach included webinars on topics such as managing burnout, self-care when remote working, resiliency, physical and mental health tips, and posting our employee mental health updates and recourses. We also encouraged managers to have open conversations about mental health and wellbeing with direct reports. Employees were provided with contact information for mental health resources covered by Ansell's medical insurers as well as country-specific updates on COVID-19 safety precautions.

Looking ahead

In FY22, we will provide vaccinations to our employees at our manufacturing sites worldwide, as the vaccines become available either through government authorities or government approved private service providers. We will continue to maintain stringent protocols to keep our employees safe as the battle with COVID-19 is not over. We will also continue building out our employee wellness plans and strengthening our health and safety management system by integrating our training on High Risk Tasks into our General EHS training module. This will enable us to drive engagement in health and safety through supervision and development of subject matter expertise at the site level.

Labour rights

Our perspective

Ansell operates in an industry and in several countries that are considered at a higher risk in relation to labour rights. This exposure and our position as a leader in the safety industry means that we have a clear responsibility to actively identify, assess, and address labour rights risks. Beyond simply a legal duty to comply with all laws, including those relating to workers' rights, we have an ethical duty to do our best to protect workers, both in our operations and in our supply chain.

Governance and accountability

Oversight and management of modern slavery and labour rights in our operations and supply chain is led by our Chief Human Resources Officer and Senior Vice President of Operations and Global Supply Chain, respectively. As members of the Sustainability Council, they provide updates to the Board, Sustainability & Risk Committee (SRC) and Executive Leadership Team (ELT) on emerging labour rights issues and Ansell's performance against our labour standards at our plants and within our supply chain.

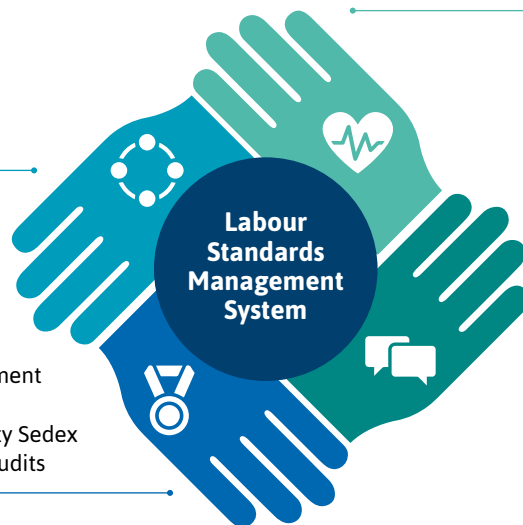
At our plants, site and regional Human Resources (HR) functions undertake a structured approach to standardise and monitor the implementation of labour rights standards and processes at our sites, known as our Labour Standards Management System. We use the individual processes of our labour standards management system to uphold a culture based on trust, respect and open dialogue and to promote positive and transparent employer-worker relations.

Continuous Improvement

Board, SRC and ELT review of our performance, including implementation of corrective actions, and review of policies and procedures

Monitoring Performance

Using our CSR Workplace Impact Assessment Tracker to closely monitor our metrics. Conducting internal audits and third-party Sedex Members Ethical Trade Audits (SMETA) audits



Labour Standards and Commitments

Promoting positive and transparent employer-worker relations through our management system and upholding culture based on trust, respect and open dialogue

Training and Controls

Designing site-level controls and training plant-level employees to standardise application and understanding of our standards, including – annual internal assessments to evaluate performance, centralised collaborations between Group HR and Plant HR and pre-audit readiness assessments

Ansell's Labour Standards Management System standardises and monitors the implementation of Ansell's labour rights standards and processes at our sites.

Labour rights management and supplier monitoring in our supply chain is overseen by our Senior Vice President of Operations and Global Supply Chain, and implemented by our procurement teams. Our procurement is conducted through three channels: Global Sourcing, corporate hubs and offices, and individual manufacturing plants. Many of our critical suppliers – determined by expenditure or by business reliance – are managed by the Global Sourcing Team. To date, the majority of our work and effort has been on Global Sourcing suppliers, including supplier screening, audits and ongoing supplier performance monitoring.

This tier of suppliers has been our focus as we believe this is the area of greatest risk for modern slavery and labour rights violations and where we have the most leverage to influence the behaviour of our suppliers.

This year, we have made significant progress, particularly in labour standards and commitments, and due diligence and performance monitoring in both our supply chain and own operations, which are discussed in the following pages.

Labour standards and commitments

Ansell is committed to operating in accordance with all applicable laws and the Universal Declaration of Human Rights. Ansell aligns with the United Nations Guiding Principles on Business and Human Rights as well as the International Labour Organization (ILO) Core Conventions.

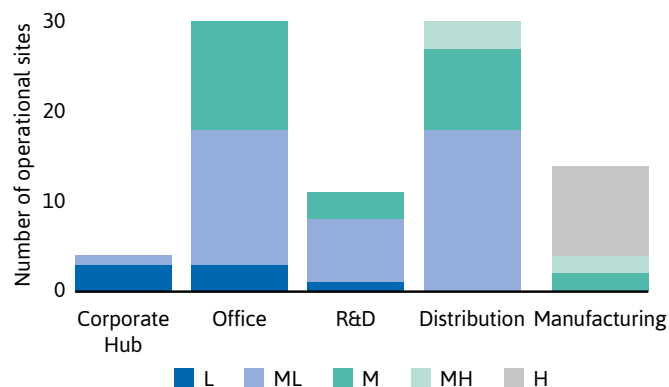
Our approach to labour rights is guided by a policy framework that outlines our minimum expectations for labour standards across our operations and supply chain. This framework includes our Global Code of Conduct, Labour Standards Policy, Human Rights Statement, and Supplier Code of Conduct. These policies are updated regularly in accordance with our CSR & sustainability and procurement policy review schedule.

This year, we engaged an independent third-party advisor to support us in developing a Supplier Management Framework that sets out our updated holistic and risk-based approach to managing supply chain labour risk. More details of the Supplier Management Framework are set out on page 35 of this report.

Due diligence

In FY20, we engaged an independent third party to assess risks of modern slavery across our operations and over 900 of our critical tier 1 suppliers. The results of this has been used to guide our approach to applying additional controls to manage labour rights risks, and is reflected in our Supplier Management Framework. Full details of this risk assessment and our approach to modern slavery was disclosed in our 2020 Modern Slavery Statement. Our 2020 Modern Slavery Statement was recently recognised for the quality of its disclosure against the Australian Modern Slavery Act 2018, where we ranked #5 out of the top 100 ASX listed companies.¹

Modern slavery inherent risk ratings by operational activity



Tier 1 supply chain – notable inherent risk areas

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

Managing labour rights in our own operations

As shown earlier, our Labour Standards Management System (LSMS) standardises our approach to managing labour rights in our operations. Global and site-level standard operating procedures and policies are implemented by site and regional HR functions, via the activities under the LSMS. Our efforts to date have focused on our manufacturing operations, reflecting the increased risk of labour violations at these sites.

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, as well as:

- Using internal assessments to evaluate the performance of our manufacturing plants
- Training, briefings and updates for plant leadership teams and HR functions to ensure consistent implementation of Ansell's standards
- Close monitoring and reporting to the ELT and Board on metrics, including working hours and rest days
- Digital tools such as finger and card scanners to monitor employee working hours and overtime
- Use of third-party SMETA audits to monitor labour rights conditions in our manufacturing plants
- Active monitoring and follow up of corrective actions raised through third-party audits

1. Modern Slavery Statement Disclosure Quality ASX100 Companies, research brief by Monash Centre for Financial Studies (2021).



Our new factory in the Tula region of western Russia began operation in June 2021 and our labour standards management system has been implemented at the site, with an initial third-party audit scheduled to be conducted in FY22.

Labour rights continued

Maintaining access to collective bargaining agreements is an essential part of upholding labour rights. Many of our workers participate in collective bargaining agreements, either through labour unions or through worker councils at our manufacturing plants. Each manufacturing site has established a Freedom of Association and Collective Bargaining policy and procedure. These policies and procedures are communicated to all employees during onboarding and annual training and displayed at each of our manufacturing sites. As at FY21, 70% of workers were covered by collective bargaining agreements, including through worker councils. Furthermore, worker representatives are present at all sites as we emphasise an open and transparent culture of communications between workers and management. Our Human Resources department works to make sure that collective bargaining agreements are renewed in a timely manner.

We also utilise third-party audits to assess the performance of our manufacturing plants. During FY21, we completed third-party SMETA audits of 12 Ansell manufacturing sites, with one site – Lithuania – audited in July 2021 due to a COVID-19-related delay. This was the first time our sites in Lithuania, Brazil and Portugal have been audited, representing a significant milestone in the development of our efforts to secure independent confirmation of our efforts to monitor performance in our own operations. We were also able to smoothly carry out the audits and annual audits of our Asian plants while prioritising the safety of our employees and the auditors during the challenging time. As a result of movement restrictions and other COVID-19-related delays, audits for our plants in Malaysia were conducted in Q4 of FY21, while audits & subsequent follow-up audits were conducted earlier in the year for the other sites.

Where third-party audits and other monitoring activities, such as internal reviews, identify non-conformances in our plants' approach to labour rights, our human resources function works closely with plant managers to develop a corrective plan and monitor its implementation. Corrective actions are subsequently verified during follow-up audits.

Managing labour rights in our supply chain

Our commitment to respecting human rights extends to our supply chain and is communicated through our Supplier Code of Conduct as we seek to engage with suppliers who do the same. In addition, we continue to implement and enhance our due diligence process to mitigate and monitor risks of modern slavery in our supply chain. This includes activities during supplier selection and on-going supplier performance monitoring. Key activities include:

- Ansell's suppliers are contractually required to comply with standards detailed in our Supplier Code of Conduct
- Use of a supplier evaluation form in screening prospective suppliers, which includes questions on modern slavery, previous CSR audits, quality, environment, health, and safety
- Some suppliers are subject to a quality audit or have a third-party ethical audit as a pre-condition to onboarding
- Quarterly or half-yearly performance reviews which include consideration of labour rights performance
- Closely monitoring the performance and remediation actions of critical suppliers through regular discussion and independent third-party SMETA audits.
- Regular discussion with management and senior management of critical suppliers on issues, including labour rights risks.

Concerning reports have emerged in the media regarding the treatment of workers in our industry and supply chain, including allegations of forced labour findings leading to import bans, high recruitment fees, poor measures for worker safety against COVID-19, excessive work hours and lack of rest days, and sub-standard housing for migrant workers. We closely monitor the performance of these critical suppliers through engagement with senior management and the use of third-party SMETA audits to confirm their actions to mitigate any non-compliances and evolve their own labour practices. Suppliers share with us the outcome of their third-party audits and any non-compliances identified. Where non-compliances are identified, suppliers are required to create specific corrective action plans and undergo regular follow-up audits. Due to COVID-19-related delays, most of these suppliers postponed audits and follow-up audits to later dates. During this time, we continued to regularly engage our suppliers to inquire on the status of corrective actions and follow-up closely on their commitments.

While we consider these third-party audits to be a key tool in supplier monitoring, we also acknowledge that audits represent a snapshot in time and may not identify all labour rights issues. With this in mind, we also focus on collaboration and regular communication, with the intent to drive positive change across the industry. Additional details on collaborations are described on page 37 of this report.

As we seek to continuously evolve our processes, we developed our Supplier Management Framework (Framework) in FY21. The Framework sets out our updated approach to identify, assess and address labour rights risks across our supply chain.

The key components of the Framework are set out below:

A risk-based approach	The Supplier Management Framework outlines activities which must be undertaken depending on factors including inherent risk – from supplier selection and onboarding through to ongoing management.
Broader coverage of our sourcing activities	We will be actively expanding the scope of our due diligence activities to go beyond critical suppliers engaged by our global procurement function.
Requirements for increased performance monitoring and improvement	Increased use of performance monitoring activities, including third-party audits, factory visits by Ansell personnel and supplier training on labour rights based on risk.
Standardising our approach internally	The Framework will drive a standardised approach to supplier labour rights risk management across our business.
Program of work on audit quality	We are starting to develop a program to actively monitor and improve the quality of audits conducted by third-party auditors to further strengthen our due diligence. This is considering an evolving body of evidence highlighting the limitations of social audits in detecting all modern slavery issues. While audits will remain a key component of our program, we recognise the need to utilise a diverse range of monitoring activities alongside efforts to improve audit quality.
Partnerships	The Framework sets out our commitment to partnerships collaborating, in acknowledgement that many labour rights issues are systemic challenges that cannot be solved in isolation.
Increased resourcing	The roll out of our revised supply chain approach will be supported by additional resources.

The Framework will be rolled out in three waves beginning in FY22, with the highest priority suppliers based on risk, spend, and criticality to our business to be implemented first. This first wave will include all suppliers of finished healthcare products, recruitment agents, higher-risk natural materials such as cotton and natural rubber and high-risk services including cleaning and security services, regardless of whether they are engaged by global sourcing or another part of our business. We will provide annual updates on the implementation of the Framework via our Sustainability Reports and Modern Slavery Statements.

We are committed to working with suppliers to improve their labour practices, and to secure employment and improved conditions for their workers, rather than cancelling contracts reactively.

In line with the advice of human rights and labour experts, our preferred practice is to work with suppliers to drive improved performance to provide secure employment and improved conditions for the workers in our supply chain, rather than cancelling contracts reactively. In the event that a supplier fails to undertake corrective actions or does not work towards improving conditions in good faith, we will consider terminating the relationship.

We know that systemic and industry-wide change takes time, and we are committed to being proactive in that change.

Grievance handling and remediation

We respect the rights of individuals who seek to defend human rights and do not tolerate threats, intimidation or attacks against these individuals.

All Ansell employees have access to grievance mechanisms, including site HR functions and our compliance hotline operated by an independent third party that operates 24/7 in each of Ansell's community languages. As evidenced by our case study on remediation, where issues pertaining to labour rights are identified through our grievance mechanisms, we work with affected parties and relevant stakeholders to understand the scale of the impact, put in place controls to prevent reoccurrence, and participate in remediation as is appropriate. In FY21, we worked with Ethical Trade Initiative (ETI) as part of their Access to Remedy for Vulnerable Migrant Workers Programme. One of the outcomes of the programme is a pilot technology tool that will support workers to find safe and trusted ways to raise grievances without risking their job security or making them more vulnerable to abuse and exploitation. More details on grievance mechanisms are reported in our 2021 Modern Slavery Statement to be released in November 2021. Our collaborations are detailed on page 37 of this report.

With our suppliers, we use our Supplier Code of Conduct (SCoC) communicate our expectations for suppliers to maintain a confidential grievance platform that is easily accessible to all workers, and encourage workers to report any non-compliance with Ansell's SCoC without fear of retaliation.

Labour rights continued

Completion of migrant worker recruitment fee reimbursement program

Ansell's Zero Recruitment Fee Policy is based on a commitment to pay all recruitment costs for migrant workers, and reflects our view that migrant workers should not be the victims of fees charged by unethical recruitment agents in their home countries. In FY20, Ansell initiated a reimbursement program for migrant workers in our employ who had paid recruitment fees to these unethical agents. In September 2020 and January 2021, Ansell completed remediation to these affected workers.

In order to ensure our reimbursement program was conducted in an ethical, fair and transparent manner, we consulted affected workers and recruitment agents; and partnered with a third-party NGO – Our Journey – as well as government representatives, primarily through High Commissions, embassies and consulates in the home countries of these workers. Full details of the process undertaken were disclosed in our 2020 Modern Slavery Statement.

To ensure that no Ansell worker pays a fee to secure employment, Ansell continues to conduct due diligence through our Zero Recruitment Fee Policy. We only hire migrant workers through vetted recruitment agents who have signed a contract with Ansell to uphold ethical recruitment standards. In addition, we provide workers with job descriptions in their native language to avoid any miscommunication, and we also communicate our Zero Recruitment Fee Policy. Spot checks are conducted before workers depart from their home country and upon arrival at Ansell to identify any potential exploitation of workers' rights.

Ansell's migrant worker housing

Ansell has exceeded the minimal housing standards for migrant workers employed at plants in the APAC region. Far from the cramped, poorly ventilated and often unsafe living arrangements common to most worker hostels, migrant workers in Ansell's employ in Malaysia live in bright, clean, safe and spacious accommodation, managed by Ansell. Workers are housed two per room, with personal lockers and additional storage space. Community areas, such as kitchen and lounge areas are provided for socialising as well. Each hostel provides security, privacy, common areas for religious worship and social gathering, laundry facilities, freedom to come and go, access to nearby shopping and banking, and other amenities. Human Resources staff communicate with the workers and visit hostels for inspection on safety, sanitisation and overall quality of life.



Collaboration

Many labour rights challenges, particularly those facing the medical products and medical use glove industry, cannot be solved in isolation. Therefore, this year, we have increased our focus on collaboration and are actively investing in the following partnerships:

Ethical Trade Initiative – Access to Remedy for Vulnerable Migrant Workers Programme	ETI has stepped up its efforts in Malaysia, responding to concerns raised by member companies and media and non-government organisation (NGO) reports highlighting the situation of migrant workers being denied their rights and working in exploitative working conditions, in sectors including furniture, and rubber gloves. This project, supported by the UK government, is intended to support migrant workers in Malaysia who are vulnerable to modern slavery. A particular focus is to ensure that those workers are able to negotiate collectively for better terms and conditions of work, access support, raise grievances and obtain remedy where they have suffered abuses.
Project Safeguard	This collaborative initiative is bringing together peers in the glove manufacturing industry to identify, prevent and remediate forced labour in the medical products industry in Malaysia.
Responsible Labour Initiative	Ansell has joined this globally recognised multi-stakeholder and multi-industry initiative, which aims to identify opportunities to build leverage and drive improved conditions for workers in shared supply chains.

Our approach to engaging in partnerships is to assess opportunities against criteria including alignment to our objectives, shared ambitions, credibility, approach and Ansell’s ability to create impact through the partnership. We will continue to consider additional opportunities for partnership on key labour rights issues, including those relating to raw materials such as cotton and natural rubber latex.

Program review and continuous improvement

Ongoing program review enables us to improve our systems and approach continually. Within our labour rights program, reviews take many forms and include use of external consultants, internal audits and regular reporting to the ELT on the performance of our plants.

Our internal audit function periodically conducts audits over our manufacturing plants, including performance against our labour rights standards.

Looking ahead

In FY22, we will maintain momentum with projects that are in progress. Ansell will prioritise the implementation of our Supplier Management Framework. This will include rolling out increased performance monitoring activities for our highest risk, highest criticality tier 1 suppliers, in addition to setting up new elements of our program, such as an audit quality program, transparent reporting and escalation pathways up to our Executive Leadership Team where issues are identified. We will also continue annual third-party SMETA audits of our manufacturing facilities.

Collaboration with our peers and cross-industry groups will also be a priority for FY22 as we seek to tackle systemic labour rights issues through forums such as Project Safeguard and, in time, look for opportunities to improve the sustainability of our raw materials such as cotton and rubber. Across our own operations and our supply chain, we will make progress on areas with systemic non-conformance.

Employee engagement

Our perspective

Our Ansell people are key to our success. Keeping our workforce motivated and engaged promotes retention of talent, helps to maintain quality and reduce safety incidents, improves customer satisfaction scores and organisational performance and, ultimately, creates value for shareholders, customers and employees alike.

Our approach

Central to Ansell's approach to employee engagement is making sure that we have the right people in the right jobs, now and in the future. This means making sure that our employees enjoy their work, are supported to fulfill their potential and are appropriately recognised and rewarded. Our approach to an

engaged employee culture is built on an ever growing number of opportunities for learning and development and a focus on leadership. As we continue to grow as a business, we are making sure that our localised approaches are supported by a consistent and global strategy on talent, engagement and retention.



Ansell University

Ansell University is our global resource for our employees learning needs. We offer programs that cover a wide range of technical and leadership skills, from short videos and presentations to certification programs.



Leadership Programs

We offer exciting opportunities for employees to develop their leadership skills, including online training, our flagship leadership programs, and a 360-degree feedback tool based on our seven leadership competencies.



New Hire Onboarding

Our global onboarding program ensures the smooth and successful integration of new members of the Ansell team.



Mentoring and Coaching

Many of Ansell's leaders and all members of the Executive Leadership Team serve as mentors to our coworkers. In some cases, we engage professional executive coaches to further support coworkers' development.



Development and Performance

Our development and performance process focuses on developing employees through frequent coaching and multi-faceted feedback to drive high performance.



On the Job

Most development occurs on the job at Ansell. With this in mind, we structure opportunities to facilitate employee growth, such as job rotation, job switches and special project assignments.



Career Development

Employees have a clear view of all our global opportunities and access to simple and practical competency-models to enable longer term career planning.



Wellness and Mindfulness

Ansell provides physical and mindfulness training to help employees sustain healthy, productive minds and bodies.

From the early days of recruitment and hiring and throughout their careers at Ansell, employees can take advantage of learning and development opportunities, guided by a structured development and performance process for all professional employees and an annual talent review for senior leaders. Employees in our manufacturing facilities participate in regular skills development and safety training. In FY21, Ansell developed a new Development

& Performance Process supported by a digital tool, ePerform, to facilitate the entire process and store all the performance documents. This new process was defined using input from employees, our leaders, as well as from external thought leaders and research. The three goals we aim to achieve with this process are to differentiate performance, helping Ansell become a higher performing organisation; drive development, and reinforce Ansell values. This new process will launch in early FY22.

Getting Back to Better

For Ansell, as for so many other organisations, COVID-19 has changed the way we work and engage with our colleagues. ‘Back to Better’ is our internal program to consolidate and embed positive learnings during COVID-19, while acting on areas where we could improve. It is also a mechanism for maintaining culture and connectivity during remote working. The program includes initiatives, resources and communication on topics such as well-being, ways of working and capacity building.

Providing flexible working opportunities is another Back to Better response to employee feedback about what would help most as we move ahead. In FY21, Ansell launched a Global Flexible Work Policy for eligible office-based employees. Considered a notable departure from flexi-hour work policies and traditional use of office space, we observed success in employee productivity, teamwork and trust while working from home. We also implemented technology tools and provided communication and collaboration training to help our professional office-based employees adapt successfully to working virtually.

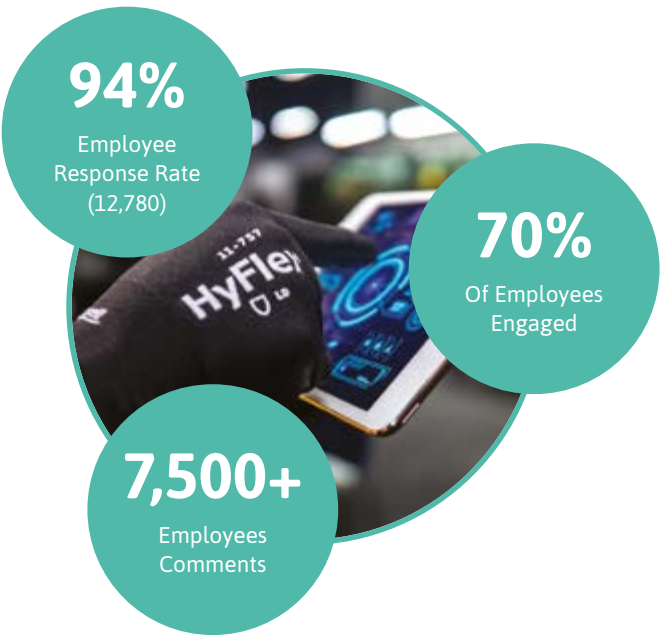
“This past year, due to the pandemic, we all had a challenging year. Mixing at the same time private life (becoming the teacher of our kids) and professional life was not easy. But if I have to compare Ansell to other companies, I am proud to say that I am working for a company who cares for its employees. The way Ansell managed this pandemic was outstanding.”

Employee survey comment

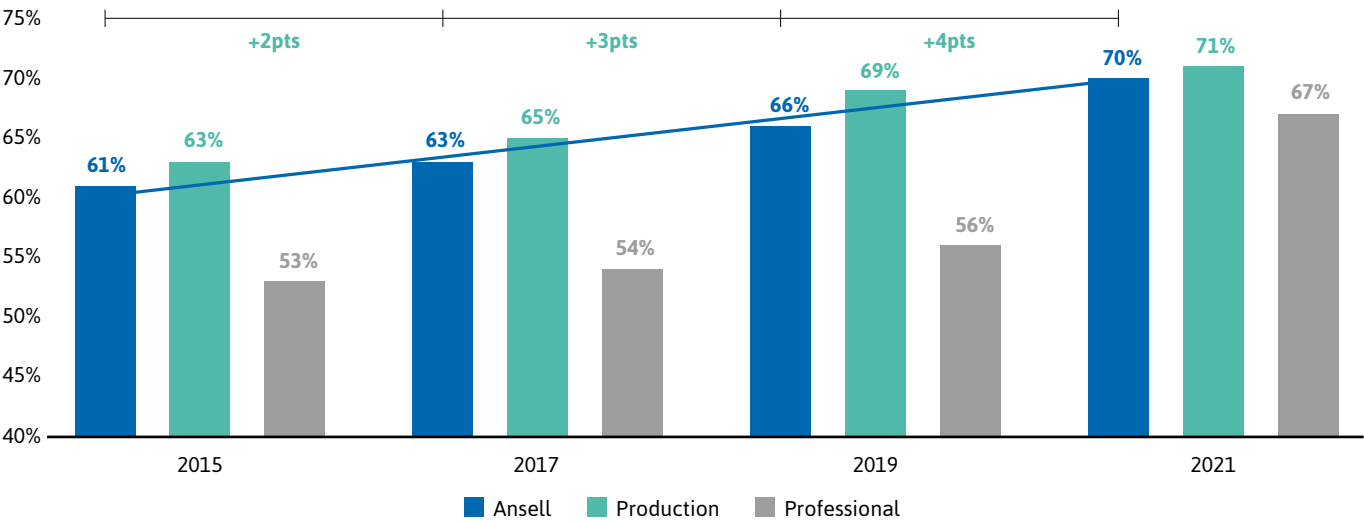
Our performance

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

Our biennial all-employee Employee Engagement and Culture Survey plays a critical role in shaping our engagement strategy by providing feedback on our current performance. Despite the challenges of conducting a global employee survey during COVID-19, participation by employees rose to 94%, or more than 12,000 of our employees – a steady increase on prior years.



Employee engagement trend



Employee engagement continued

Ansell is building employee engagement at a faster rate than both Best Employer companies and Global Manufacturing companies. This year, our survey resulted in a 70% employee engagement score – an impressive increase in engagement across all parts of the business which represents an increase of four points from our last all-employee survey in 2019. This improvement was driven in large part by increased engagement among our professional workers, whose engagement score rose 11 points from the 2019 survey.

The areas of engagement that scored the highest across the 17 dimensions we measure included Safety, Brand and Customer Focus, in addition to employee response on how well Ansell has been responding to the COVID-19 situation. Top areas for action to drive even more improvement include Decision-making, Rewards & Recognition, and Collaboration for professional employees, and Empowerment, Rewards & Recognition, and Senior Leadership Visibility for production workers.

For the 2021 survey, we added the statement, 'Ansell is committed to sustainable business practices (i.e., *human rights, community, and the environment*)'. Overall, 78% of employees agree or strongly agree with this statement. All results – both positive and where we see opportunity for improvement – from this year's survey will be used to identify priority areas for improvement and targeted initiatives.

Results are shared with the Executive Leadership Team, the Board, and all employees. Employees recognise that their participation in the survey is directly tied to creating positive change at Ansell. Based on the actions we have taken with past surveys employees know that results are shared across the organisation and leadership acts based on quantitative and qualitative data from the shared voice of our employees. For this reason, Ansell employees let their voices be heard.

This sharp improvement has also been reflected in our performance relative to global benchmarks against which Ansell is compared. Global best employer represents the average engagement score for all global companies in the comparison, regardless of industry, that fall into the top quartile of engagement and are also top quartile on at least two of the following three criteria: 1) Engaging Leadership, 2) Talent Focus, and 3) Agility. Across the business, our engagement levels continue to outperform average engagement levels across global manufacturing businesses. While we remain short of our goal to be the best on engagement globally, we are steadily gaining ground, improving nine points over the prior six years in comparison to the global leader groups' five point improvement.

Engagement dimensions

Engaging Leadership

- Senior leadership
- Supervision
- Survey follow-up

Agility

- Brand
- Collaboration
- COVID-19
- Customer focus
- Decision-making
- Diversity and Inclusion

The Basics

- Empowerment/autonomy
- Enabling infrastructure
- Safety
- Work/life balance and wellbeing

Talent Focus

- Career and development
- Performance management
- Rewards and recognition

We measure employee engagement against 17 dimensions. In our 2021 survey, we improved across all dimensions; notable increases include Safety, Brand and Customer Focus. We have room for improvement in Decision-making and Rewards and recognition.

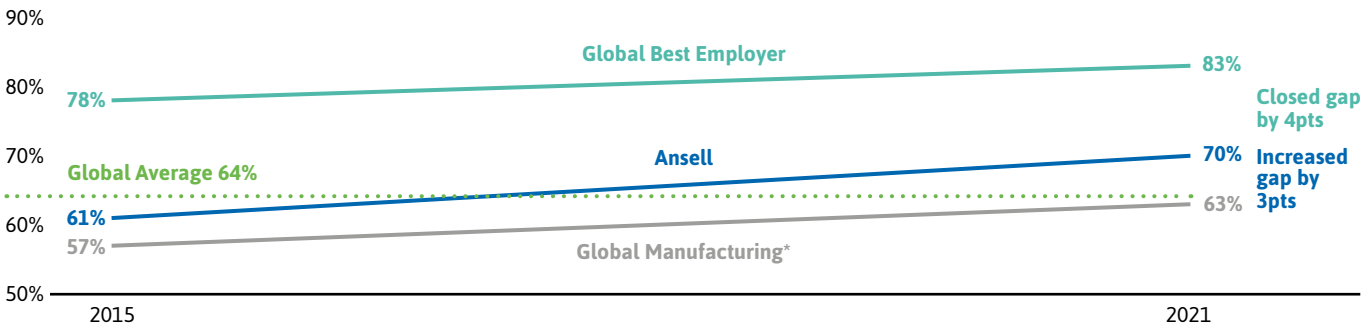
"I am grateful for respecting the individual and for showing me sustainable development goals."

Employee survey comment

"Great to see the sustainability agenda blossoming."

Employee survey comment

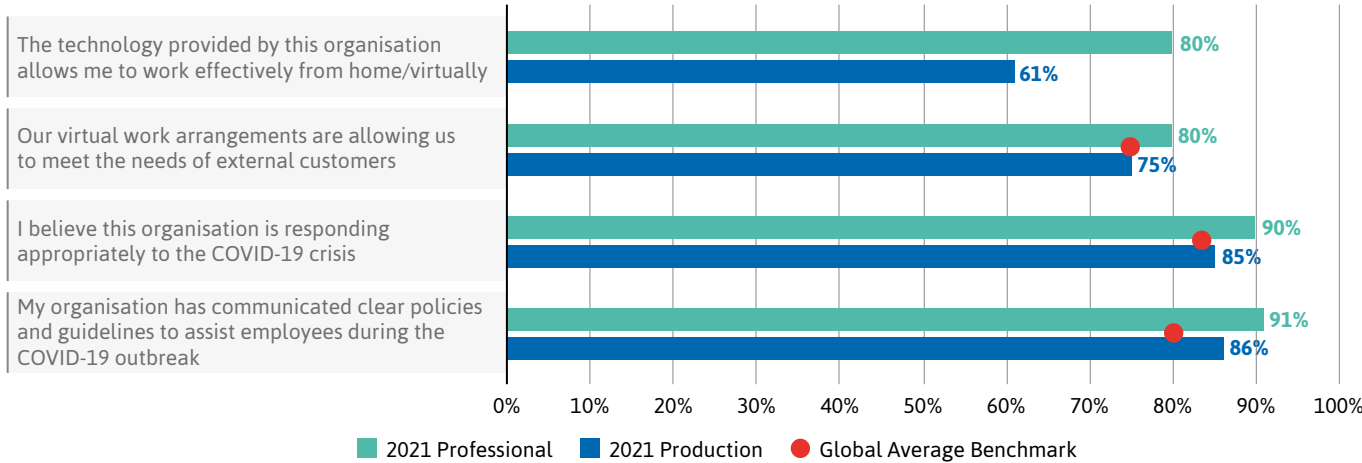
Ansell Trend vs External Benchmarks



* Average scores of Best Employer or Global Manufacturing companies

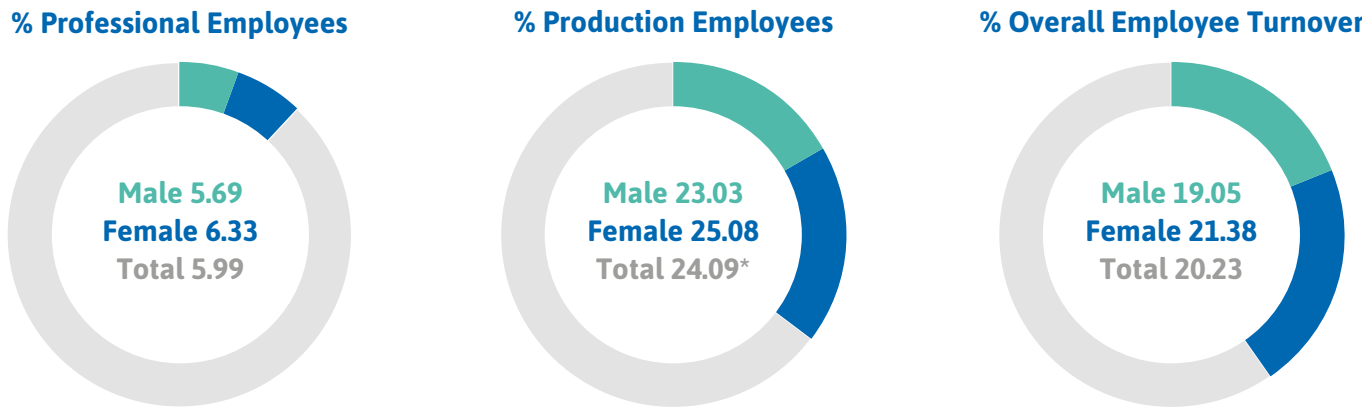
Ansell continues to outperform average engagement levels across global manufacturing businesses. While we remain short of our goal to be the best on engagement globally, we are steadily gaining ground, improving nine points over the prior six years in comparison to the global leader group’s five point improvement.

Response to COVID-19



This year’s Employee Engagement Survey included a dimension for COVID-19. Overall, employees are extremely favourable in terms of how they view Ansell’s response.

Employee Turnover



* Production turnover was impacted by the effects of COVID-19.

Employee engagement continued



Thank You!



Thank You Day at Ansell

In recognition of our employees' hard work and dedication over the last 18 months, the Executive Leadership Team designated September 3, 2021 as 'Ansell Thank You Day' and all employees received a full paid day off. We additionally recognised the 11,000 frontline employees in our manufacturing and warehouse facilities in FY21 with one-off exceptional bonus as a recognition of our appreciation of their efforts, recognising the way in which these employees have met large increases in production and shipping volumes, often while negotiating the challenging realities of COVID-19. We recognise all our staff involved in frontline operations as heroes, especially during the recent challenging times.

Looking ahead

Following the completion of the FY21 employee engagement survey, we are working with our regional and global teams to develop a clear set of priorities and initiatives to guide our work over the coming two years. Based on our analysis of the 2021 survey results to date, priority areas of focus and improvement for FY22 and FY23 are as follows, with specific initiatives to be developed for each over the coming months:



Professional staff

- Decision-making
- Reward & recognition
- Collaboration



Production staff

- Leadership
- Reward & recognition
- Empowerment & autonomy

In FY22, we will roll out our new Development & Performance Process, which will help deliver higher individual and company performance, improve our capabilities and reinforce our values, supported by an easy-to-use tool.

In FY21, a strong sense of mission united our employees as we worked in challenging circumstances to provide protection solutions to the world during COVID-19. The dedication and focus to our purpose has been impressive and is something that we will seek to build upon as we move ahead.

Diversity and inclusion

Our perspective

Ansell is a truly global company with a richness of diversity, from our people's backgrounds, the skills they bring, and the teams with which they collaborate. We believe that harnessing the power of diversity and creating a culture that fosters inclusion delivers the innovation that drives our business forward. This force, in turn, enables us to provide better products to our customers, a better experience for our workforce, and better returns to our shareholders.

Our approach

In recent years we have evolved our approach to diversity and inclusion, moving from a primary focus on gender diversity and representation of women at all levels of our business, to a broader focus on inclusion for all and valuing different perspectives on our business. This evolution was reflected in our Diversity and Inclusion Policy, which was approved by the Executive Leadership Team and Board in FY20. In FY21, we finalised our Diversity and Inclusion strategy, which aims to build an inclusive environment for all employees and celebrate diversity at all levels. We are now implementing this strategy, introducing regional diversity and inclusion networks within our business and developing inclusion KPIs (see the Inclusion Index section in the next page) to measure our progress.

Regional diversity and inclusion networks

Reflecting the evolution of our approach to diversity and inclusion, in FY21 we replaced our Women's Leadership Forums – which had been running since 2015 – with regional, self-directed Diversity and Inclusion networks that select relevant focus issues for their markets. For example, the US regional network is exploring recruitment partnerships to attract people of colour into the business, having identified racial inclusion as an important topic to address for their market, at the same time, it does not mean that we will lose sight of gender diversity in regions where this issue continues to require attention. Our operational Diversity and Inclusion network is looking at how to drive inclusion and fair treatment throughout all our production workforce where we have a mix of national, non-national, permanent and contract employees. The aim is to ensure that everyone forms part of the team and is recognised fairly and consistently in terms of access to resources and opportunities. To offer support to our regional networks while maintaining their autonomy, Ansell established a small global Diversity and Inclusion team that regional networks can consult on an ad-hoc basis that will continue to drive identified global topics including the continued gender equality related efforts.

The diversity and inclusion networks operate in North America, Latin America, Asia, EMEA and Oceania. Each is chaired by a member of the local workforce and sponsored by a member of the Executive Leadership Team, with support from Human Resources (HR) advisors and our global team as needed. It is intended that these networks will build the voice of employees within our business whilst also offering them a professional development opportunity. In order to achieve this and to encourage participation in the networks, we have incorporated



#ChooseToChallenge – 2021 International Women's Day. Since 1911, March 8 has marked a day to celebrate the achievements of women worldwide. Employees at our Juarez, Mexico plant express their ambitions for gender equity.

participation in the regional networks into volunteer members' roles and key performance indicators (KPIs). This has in turn attracted a range of members to our regional networks, including a diverse mix of high potential and long-standing employees.

To support progress on diversity and inclusion in all regions we are also evaluating pay equity within Ansell to identify any gender differences in representation across pay grades and to explore root causes. Part of this process involves evaluating our supporting systems and processes, and in line with this we have standardised our salary administration guidelines in order to avoid differential actions.

We expect the introduction of our Global Flexible Work Policy for office-based employees (covered in the Employee Engagement section of this report on page 39) to further bolster equity between genders in the workplace, enabling employees to work in a manner that suits them and their other commitments.

Diversity and inclusion continued

Inclusion Index

The Inclusion Index, which we created in FY21 and included as part of our Employee Engagement and Culture Survey, has a current score of 70%. We created the Inclusion Index to track progress against our ambition to create an inclusive environment for all employees. Working with a third-party provider, we identified seven statements to benchmark employee sentiment.

Inclusion Index Items	Favourability	Change from 2019
At work, my opinions and ideas seem to count	64%	+2 pts
I have the freedom to express my opinions even though they might contradict the views of my manager	68%	+2 pts
We have an inclusive work environment that is open and accepts individual differences	71%	+4 pts
I receive appropriate recognition (beyond my pay and benefits) for my contributions and accomplishments	63%	+4 pts
Senior Leadership is open and honest in communication	68%	+5 pts
I feel like I belong at this organisation	79%	New in 2021
I can be myself at work	76%	New in 2021

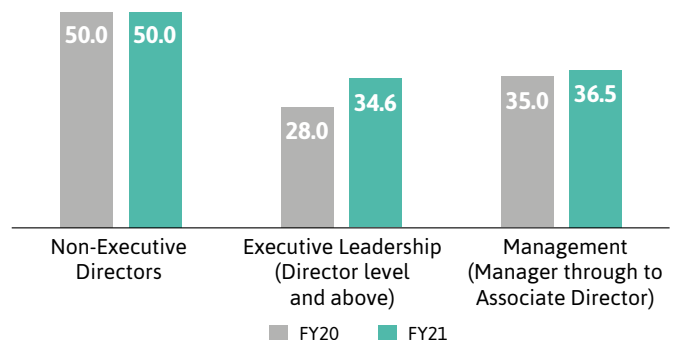
These scores will be used in conjunction with our employee engagement survey to track our progress against diversity and inclusion, alongside metrics identified by regional teams as important. In our 2021 Global Employee Survey, 73% of employees agreed with this statement, 'I feel Ansell values diversity (e.g., age, gender, race, language, education qualifications, and perspectives). Diversity increased three points over our 2019 survey.

Women in leadership

In FY21, women representation in Executive Leadership and Management increased from FY20, and we exceed our target for women in leadership at Executive Leadership levels. This was driven by both structural and personnel changes in our business. As at 30 June 2021, the Board gender balance is 44% female /56% male (50% female for Non-Executive Directors). Following the retirement of Mrs Peterson and Mr Day and the proposed appointment of Mr Falkenberg at the AGM in November, this balance will reduce to 38% female and 62% male (43% female for Non-Executive Directors). The Board remains committed to achieve the circa 50% balance.

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.

% Women in leadership (as at 30 June 2021)



Cultural diversity



21% US Resident ¹	4% Indian
18% Malaysian	3% Australian
9% Sri Lankan	3% British
5% Belgian	3% Thai
5% Chinese	3% Mexican
4% French	2% Russian
20% Other ²	

Cultural diversity of Ansell employees at Manager level and above.

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

Looking ahead

In FY22, we will roll out inclusion training across our business on topics including the definition of diversity and inclusion and the practice of allyship, a strategic mechanism used to address injustice and promote equity in the workplace, starting with our Executive Leadership Team in September 2021 and followed by all professional employees in FY22.

We will continue to expand membership of our regional diversity and inclusion networks, establishing a global Diversity and Inclusion Dashboard that includes global key performance indicators (KPIs) as well as one KPI identified by each region as relevant for them. We will share early performance against our Inclusion Index in our FY22 report.

Community engagement and investment

Our perspective

Many Ansell manufacturing facilities are significant employers in the communities in which we operate and form an important part of life in those communities. This gives us a unique local presence despite our global footprint and connects us to the needs of our people and local communities.

Ansell’s work with local communities helps our employees stay connected to our safety mission and engenders a sense of pride in our business. Sharing this common purpose draws us closer together and builds goodwill in the communities in which we operate while boosting employee engagement, which in turn improves retention.

Our approach

Ansell’s approach to community investment and engagement is focused on locally-driven engagement. We empower our local operations to identify the causes that matter most to them and their region. This locally-led approach is supplemented by activities identified by our corporate function, which include disaster relief activities.

Our community engagement and investment initiatives broadly encompass the following elements:

- Personal Protective Equipment (PPE) donations, including disaster relief
- Financial donations
- Employee volunteering

All major financial and product donations are approved by our Executive Leadership Team and, where appropriate, the Board.

Our performance

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

When disaster strikes, Ansell delivers both financial donations and safety protection to support people on the ground in a variety of emergency situations. From the earliest days of COVID-19, teams at our manufacturing facilities and warehouses coordinated deliveries of significant amounts of safety products to protect local hospital workers, healthcare professionals and essential workers in communities where our employees live and work. We continue to do so and we will into the future. In FY21, Ansell also responded to meet protection needs worldwide, and to support causes close to the hearts of our employees

and customers. Our manufacturing sites and larger office locations partner with and contribute donations to local charities, supporting causes including local schools, youth sports, social care, women in crisis and animal shelters. In FY21, these efforts included donations to groups such as the Special Olympics (Belgium), Enactus (Malaysia), the Malaysian Great Heart Foundation, and Minas Gerais State Firefighters (Brazil). Here are just a few highlights on pages 45–47.

Case study: Ansell donates \$100,000 to UNICEF, protective products to healthcare workers

Ansell contributed USD \$100,000 to UNICEF, the United Nations Children’s Fund, in India to provide medical equipment including oxygen concentrators, diagnostic testing systems such as RT-PCR systems, hygiene and critical care supplies. Ansell also provided a product donation of 21,500 AlphaTec® suits and 9,000 AlphaTec® face masks to protect frontline healthcare workers in local communities across India.



Community engagement and investment continued



When one of the largest non-nuclear explosions in history devastated large sections of Beirut, Lebanon, Ansell quickly mobilised with the Lebanese Red Cross to provide critical products to local hospitals treating the wounded. Donations included 76,024 pairs of surgical gloves, 52,345 pairs of exam gloves, 197,600 pairs of single use gloves, 1,123 protective suits, and 281 pairs of chemical gloves, with a total value of € 115,000.



In India, Ansell continues to meet a statutory requirement by donating two percent of net profit from our local Indian operations towards corporate social responsibility. Since last year Ansell has channeled this funding towards a corporate partnership with Magic Bus, which engages with local communities to support children in pursuing their aspirations, including completing their secondary education. During the pandemic, Magic Bus pivoted to keep children connected with their school teachers and each other.



Ansell Turkey supported search and rescue efforts following the Izmir earthquake, donating over 1,000 pairs of HyFlex® and RINGERS® gloves to protect emergency crews.

Case study: Celebrating Indigenous culture

In FY21, we launched the Ansell Australian Indigenous Program to provide financial support to established programs which improve the quality of life for Australia's First Nations People and align with Ansell's values.

Ansell worked with Indigenous Australian artist Kirstina McKinlay, a Kamilaroi and Ngarrabul artist, to develop unique and beautiful packaging artwork for a limited edition of HyFlex® 11-840, HyFlex® 11-561 and HyFlex® 11-528 gloves. Kristina's artwork is inspired by the three most important elements of life – the land, the sky and water.

These HyFlex® products were available in the market beginning in May 2021. Ansell will distribute a percentage of sales from these safety products plus a corporate donation to established Indigenous advancement programs over FY21-FY23.



Ansell United Kingdom (UK) team digs in! Ansell UK employees in Willerby, England partnered with the Plant a Tree Today Foundation and Green Task Force to plant 250+ trees in a single day on school grounds in their local community. The theme of Earth Day 2021 was Restore Our Earth. From taking steps to deploy more sustainable packaging to research and development to achieve biodegradable and recyclable materials, Ansell is actively working on strategies to protect our planet as well as its people. These new trees will help to remove carbon dioxide from the atmosphere while creating greener spaces and wildlife habitat.

Hands On with HyFlex® Day is a global community outreach initiative designed to provide Ansell employees with volunteer opportunities in their local communities around the world. Now in its fourth year, Ansell employees spent a day working on COVID-19-safe community projects in Ansell communities located in Brussels, Cyberjaya, Houston, Hull, Melbourne, MetroPark, Brazil, Mexico and Reno. Using PPE across the full suite of Industrial solutions (Mechanical, Single Use, Chemical, Body Protection), Ansell employees throughout the organisation work together to deliver safety beyond everyday business through volunteering to enhance and rebuild communities in need.



Looking ahead

In FY21 we continued with our philanthropy efforts combining our ability to offer protective products and solutions and financial support to those most in need. We see this continuing to evolve in a dual strand approach in FY22, such as safety products and financial support to those identified as most in need and linked to our local communities, where possible.

Environmental impact and compliance

Our perspective

We remain cognisant of global ambitions encompassed in the Paris Agreement, and our responsibility to contribute towards it. We need to re-imagine our value chain from raw materials to manufacturing processes to products' end-of-life treatment. For many years we have worked steadily to reduce our environmental impacts. In recent years, we have committed to external and internal targets and used analysis and information at our disposal to shape reduction programs and efforts. This continues to be an important area of focus area for us, and our stakeholders.

Our performance

Ansell's Environmental Policy states our management responsibilities and the activities required to meet our environmental objectives.

In FY21, we significantly stepped up our plans to reduce our environmental footprint, committing to a USD\$23m portfolio of water, energy and waste projects. This year we focused on the first principle, identifying projects to reduce our consumption of natural resources and replacing them with alternatives, such as replacing fossil fuel consumption with renewable energy. We drive efficiency as a business by identifying and implementing Kaizens measures for continuous improvement, in our facilities. Effectiveness is connected to reducing our impact at the design and manufacturing stage by removing unnecessary materials and selecting sustainable alternatives (see further detail under Innovation and Product Stewardship section of this report, page 23).

This year we formalised senior responsibility and ownership of environmental measures and performance at our operations by linking key performance indicators (KPIs) on accomplishment of environmental targets and programs to individual performance KPIs of our Senior Vice President of Operations and Global Supply Chain, Vice Presidents and site-level General Managers of the operational team. Assigning senior ownership of environmental KPIs drives accountability at a global and site-level, and enables sharing of best practices across sites.

We aim for a 'big-small company' culture at Ansell where individual sites have the freedom to trial initiatives, and that technology and knowledge can then be implemented globally when successful. For example, we are implementing biomass boilers and reverse osmosis projects across our plants, collaborating as a global business on solutions and recruiting local talent to integrate context-specific expertise into plant-level innovation.

In FY21, we monitored progress of individual sites' performance against internal absolute reduction targets. While we still report publicly on greenhouse gas emissions, zero waste to landfill, and water intensity targets, basing our reduction plans on absolute figures allows for quicker quantification, forecasting and review of our impacts. We have developed roadmaps to scenario test how these absolute figures then translate into intensity metrics depending on the different levels of action that we take as a business. We also continue to disclose to the CDP (formerly the Carbon Disclosure Project) on climate change and water security in FY21.

Non-compliances during the reporting period

We comply with local and country regulations and requirements and remedy any non-compliances within our facilities. The following non-compliance and remediation activities were identified during the reporting period:

Type of issue	Location	Details
Soil and ground water contamination.	USA	Ongoing remediation of legacy sites.
Site closure documentation incomplete.	Brazil	Documentation submitted to regulatory authorities and pending project closure approval.
High carbon monoxide emissions detected from biomass hot water generator.	Thailand	Higher moisture content in the woodchips used was found to be a contributing cause of the elevated CO emissions. Corrective actions undertaken to improve the combustion ratio in the furnace included adjusting the conveyor feeder and dampers, as well as using smaller size woodchips with a lower moisture content.
R&D Laboratory exhaust chimneys found not to be designed and installed according to Department of Environment criteria.	Malaysia	R&D Laboratory's exhaust system has been upgraded.
High zinc and suspended solids levels found in the effluent system.	Malaysia	Effluent system has been modified.
High gross beta particle levels found in the effluent system.	Vietnam	Cause is being investigated to determine corrective action needed.

Looking ahead

Overall, our future focus on the environmental impact of our manufacturing facilities will be led by the strategic investments as part of our approach and project program for reduction efforts, as well as our roadmap to Net Zero emissions. Refer to the following sections for further details.

Climate risk

Our perspective

As a leader in its industry, Ansell supports the transition to a zero-carbon future in line with the Paris Agreement goals while remaining a reliable supplier resilient to and providing personal protection from the physical impacts of climate change.

The zero-carbon transition, and the physical impacts of climate change – some of which are already being experienced to different extents – present risks and opportunities for Ansell’s business. 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 customers’ 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’s Board made the strategic decision to identify, manage and disclose climate-related risks and opportunities in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In FY20, Ansell undertook climate change scenario analysis at our major manufacturing sites in Malaysia and Sri Lanka. In FY21, we completed a corporate-level qualitative assessment of climate-related risks and opportunities across the value-chain under three climate change scenarios (commenced in FY20). In FY22, we will complete our first quantitative deep-dive analysis of climate impacts to understand the financial consequences and determine materiality. Beyond FY22, we look to continuous assessment and disclosure of our exposure to climate impacts and their implications on our financial statements.

Governance

Our approach to climate change is overseen at the Board level by the Sustainability & Risk Committee (SRC) and the Audit & Compliance Committee (ACC). Both Committees work collaboratively to ensure linkage and alignment between climate-related mitigation activities and TCFD Recommendations (primarily the responsibility of the SRC) along with any other finance-required disclosures (primarily the responsibility of the ACC). The Committees regularly report and make recommendations to the Board to ensure that climate-related issues are considered at the Board level when reviewing and guiding strategy or major plans of action at Ansell. Some of these strategic Board decisions include aligning Ansell with the TCFD Recommendations, approval of approach and project program for reduction efforts, setting absolute reduction targets for internal metrics, and integrating environmental target impact assessment into capital projects.

The SRC is supported by the CEO and Executive Leadership Team (ELT) across our business. In FY21, Ansell has further established an executive-level TCFD SteerCo which convenes monthly to provide oversight of the identification and disclosure of climate-related risks and opportunities in line with TCFD Recommendations.

Ansell’s Crisis Management and Recovery (CMR) framework starts at a facility level with an Emergency Response Plan and escalates all the way to the Corporate CMR Plan. In the event a climate-related incident occurs, the response and recovery process will be triggered and escalated dependent on the severity and impact. Long-term risks are factored into the Corporate Risk Register and reviewed by the ELT and Board.

Please refer to page 19 for further details on the governance of climate-related issues as part of Ansell’s broader sustainability governance.

Climate risk continued

Strategy

Climate change presents a range of risks and opportunities that could impact Ansell. Broadly, these can be categorised into physical and transition impacts. The physical impacts of climate change can compound existing environmental risks to operations, supply chains and markets, and impact on our ability to obtain key inputs or meet our customer needs. This 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 which we are already experiencing.

In FY21, we completed a group-level climate change scenario analysis to identify, assess and manage climate-related risks and opportunities across our value chain. Three scenarios were developed to stress-test the overall resilience of our business strategy under different climate change scenarios across a range of different time horizons.

Climate Change Scenarios		
Too hot to handle	Hand in hand	Gloves on
- Consistent with IPCC Representative Concentration Pathway (RCP)8.5, i.e. global emissions continue to rise to 2100 - Average global temperature rise of 3.2°C – 5.4°C - Consistent with the TCFD required scenario for “more extreme physical risks”	- Consistent with IPCC RCP4.5, i.e. global emissions continue to rise to 2040, plateau, and then decline - Average global temperature rise of 1.7°C – 3.2°C - Consistent with IEA’s Stated Policies Scenario - Average global carbon price of US\$27/tCO₂-e by 2030	- Consistent with IPCC RCP2.6, i.e. global emissions decline from the short-term, reaching net zero by 2070 - Average global temperature rise of 0.9°C – 2.3°C - Consistent with the TCFD required “2°C or lower scenario” - Consistent with IEA’s Sustainable Development Scenario - Average global carbon price of US\$80/tCO₂-e by 2030

Initially, a qualitative assessment was performed to prioritise risks and opportunities based on the likelihood and consequence criteria as defined in Ansell’s Risk Management Framework. Further quantitative analysis will be undertaken for the most significant risks and opportunities to determine the possible dollar value implications and materiality of the risks and opportunities identified as suggested by TCFD.



The Ansell Bio-Link Year 4, an innovative carbon insetting reforestation project located in the rain forests of Sri Lanka, established in 2017. More than 4,000 native and endemic trees have already been planted. As a result, local small farmers are earning an income by planting and caring for the trees and may keep revenue from the sale of produce produced by the fruit-bearing trees that have been planted, and Ansell is supporting positive benefits to the rain forest ecosystem while reducing carbon emissions.

The table below outlines the potentially significant climate-related risks and opportunities identified through our qualitative assessment, the strategic responses are those already in place, and acknowledging that more treatment will occur at the conclusion of the quantitative risk assessment.

Risk/Opportunity	Description	Scenario	Strategic Response
Risk – Physical – Chronic	Increase in frequency and severity of droughts	Too hot to handle	Ansell has invested in water recycling facilities and additional water storage at our operational sites to ensure we can continue production should water availability become an issue. In FY21, we completed Basin Level Water Risk Assessments with World Resources Institute to better understand the contextual risks.
Risk – Physical – Acute	Increase in frequency and severity of storms and cyclones	Too hot to handle	To support Ansell's Property Insurance Program, Risk Engineers from our globally appointed Insurance Broker and lead property insurer undertake Property Risk Inspections annually and in accordance with the pre-agreed schedule of sites.
Risk – Physical – Acute	Increase in frequency and severity of flood events	Too hot to handle	The data collected through the Risk Inspections support the PE and Loss Control Program and provides increased certainty to support the design of a risk transfer program that reflects Ansell's risk appetite.
Opportunity – Physical	Increased demand for personal protection products	Too hot to handle	To demonstrate how we are embracing this opportunity and ensuring we continue to deliver on our purpose is to look at our response to the ongoing COVID-19 pandemic. We have pivoted production to ensure that more product is available to more people more often. We are continually monitoring our supplier portfolio to ensure mitigation of risks. For more detailed information please see the Supply Chain and Business Continuity section of this report.
Risk – Regulatory	Increased climate-related regulatory requirements set by governments	Gloves on	We are continually undertaking R&D to ensure that our customers have options. We will continue to develop technologies to reduce our emissions intensity across our whole value chain as can be seen with our recent developments in sustainable packaging. Our R&D team is structured to be flexible and fast to adapt to market change. We continuously look at alternative raw materials, product end-of-life, collaborations. For more detailed information on our R&D and further development please see the Innovation and Product Stewardship section of this report.
Risk – Market/ Reputation	- Increased stakeholder expectations in relation to climate mitigation efforts, resulting in reputational damage if Ansell does not meet stakeholder expectations - Increased demand for low-carbon products to reduce emissions resulting in loss of competitive advantage if Ansell fails to act	Gloves on	
Risk - Policy	Introduction of carbon pricing	Gloves on	
Opportunity – Market	Increased demand for low-carbon products to reduce emissions resulting in increased revenue through pricing premiums/ rising demand	Gloves on	
Opportunity – Reputation	Improvement in resource recovery and process efficiency	Gloves on	

Climate risk continued

Consideration of climate risk is considered as part of the due diligence process for the acquisition of new manufacturing facilities and greenfields. 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.

Three strategic themes emerged from the qualitative climate risk scenario analysis and will be explored further as we focus on quantitative analysis of the financial impacts of prioritised risks and opportunities to further align with the TCFD Recommendations. These strategic themes are outlined on below.

1. Physical climate risks, associated with a high emissions scenario, will impact separate parts of the value chain differently; we are undertaking additional analysis to quantify the potential impacts.

Ansell has already experienced physical impacts related to climate change that has the potential to disrupt upstream suppliers/raw materials, manufacturing sites, and downstream warehousing and distribution. Physical risks manifest differently in different locations. Building on previous analysis, Ansell is undertaking additional analysis to better understand physical risks in locations at greatest risks and of significant importance to our business.

2. Scenarios aligned with a transition to a net zero emissions economy present a balance of risks and opportunities; Ansell is working towards realising the opportunities and managing the risks.

A transition to a net zero emissions future will likely shift market demands from customers and investors, increase regulation and influence the costs of raw materials. Ansell's long-standing commitment to environmental stewardship and our market position as a trusted supplier means that Ansell could realise the opportunities associated with improved resource recovery, process efficiency and increased demand for low-carbon products and mitigate transition risks.

3. Inherent business resilience present across different climate change scenarios; we will continue to monitor and manage our progress in addressing climate change.

As a leader in our industry, Ansell is at the forefront of R&D including investment in innovative low-carbon and environmentally sensitive solutions, creating opportunities under low-emissions transition scenarios. Equally, as demonstrated through COVID-19, Ansell has the ability to pivot production to meet customer demands (further detail can be found within the Supply Chain and Business Continuity section of this report). Ansell will remain an available and reliable supplier of protection against the physical effects of the worst climate change scenarios, continuing to create an Ansell-protected world.

Risk management

Ansell's climate risk identification and management are led by the TCFD SteerCo and Executive Leadership Team at the management level with oversight from the Sustainability & Risk Committee and the Audit & Compliance Committee at the Board level. Over FY20 and FY21, the identification of climate-related impacts has been incorporated into Ansell's multi-disciplinary risk management process which provides a framework for determining the relative significance of existing and emerging climate risks in relation to other risks. This involves the consideration of both the likelihood and consequences of these climate impacts.

- **Likelihood:** Draws on Ansell's Risk Management Framework criteria (i.e. highly unlikely to almost certain) where both future occurrence probability and historical precedence are considered.
- **Consequence:** Draws on Ansell's Risk Management Framework criteria (i.e. minimal impact to critical event) which includes consideration of the cost to the business, duration of impact, compliance implications and potential injuries.

Ansell's business plans typically consider a three-year time horizon. For the identification of existing and emerging climate impacts, this has been extended to a 10-to-30-year (2030 to 2050) time horizon, to reflect the longer-term nature of these impacts and the nature of our business.

Within the above parameters, Ansell's climate-risk identification involved desktop research and climate data analysis for physical risks such as flooding and droughts as well as transition impacts including existing and emerging regulatory requirements. A series of interviews were held with internal stakeholders from different areas of our business to ensure a comprehensive understanding of the potential size and scope of the identified climate-related risks and opportunities.

Climate-related risks were prioritised using Ansell's Risk Management Framework which also provides overall guidance on the process for managing and treating identified risks. In FY21, Ansell held four climate-specific internal workshops with key stakeholders to determine whether to mitigate, transfer, accept, or control the identified risks.

Ansell's business and material risks are evaluated on an annual basis through workshops conducted with the Executive Leadership Team and reported to the Board via the SRC. Ansell's exposure to climate-related risks are integrated into the broader non-financial risks which have been identified as among the most significant risks in the FY21 management process.

Metrics and Targets

Ansell's environmental management framework provides structure and standards for overseeing daily activities. We have global systems in place to measure, track and manage relevant data in our facilities on environmental management and performance, including environmental compliance and operational performance metrics, specifically in the areas of water management, energy efficiency and waste management. The Ansell Board and its Sustainability & Risk Committee monitor key data on the Company's operations worldwide.

Please refer to the next sections of this report for further details on climate-related metrics and targets.

Looking ahead

With the view of achieving full TCFD-alignment in FY22, we note the following key next steps:

- Complete quantitative analysis of the financial impacts of prioritised risks and opportunities under low, moderate and high emissions scenarios across the short, medium and long-term time horizons, to enable informed strategic decisions (FY22).
- Continue to refine metrics and targets drawing on the quantitative analysis outcomes to track and measure our strategic progress (from FY22).
- Continue to disclose climate-related information (including the results of quantitative analysis) in our Annual Report, Sustainability Report, and CDP (formerly the Carbon Disclosure Project) climate and water disclosures to keep our investors, consumers, and the wider stakeholders informed (from FY22).

Energy and emissions

Our perspective

As a manufacturer, Ansell is a significant energy consumer. Reducing the carbon footprint of our operational activities is substantial and necessary action that contributes to overall reduction of our value chain. Our options for lower-carbon energy are partly determined by the geographies in which we operate, so as well as investing in innovation and continuous improvement, we are also leveraging partnerships and advocacy to help shift our operations to a more sustainable footing.

Our approach

In FY21, we set internal site-level absolute greenhouse gas emissions reduction targets. Measuring our absolute emissions enables us to make real-time decisions on investment and innovation to reduce our greenhouse gas impact, such as the solar energy projects launched this year (see further below). Our current approach to reducing emissions focuses on increasing energy efficiency and investing in technologies to generate energy from renewable sources. This approach is part of our formalised investment plan to reduce our environmental footprint, which has been approved by the Board in FY21.

We are currently undertaking detailed work to establish a strategy by which Ansell would be able to commit to significant longer term reduction in our carbon footprint, in line with the Paris Agreement. In FY21, Ansell engaged a consultancy to complete a Scope 3 inventory and refine an approach to reduce or eliminate sources of emissions within our operations. This foundational work also includes reviewing our current intensity and absolute targets and screening opportunities for impact across our value chain. The outcomes of these studies allows us to commence work on developing a roadmap to net zero. We are on track to present our conclusions and recommendations for Board and Executive Leadership Team review in FY22.

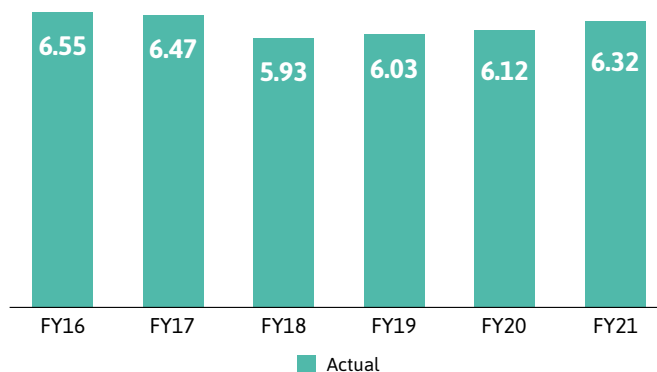
Mission to protect the planet

Achieving continuous improvement in our energy efficiency requires an engaged workforce who understand our environmental management systems and are primed to spot reduction opportunities on the floor. To achieve this increased environmental awareness and improve the quality of our environmental data, we trained 150 employees across all our manufacturing sites on sustainability and climate change in FY21, including global & site EHS teams, engineering and production teams and finance employees. The training included an introduction to climate change and sustainability and what it means to Ansell, key activities and projects planned, and guidance on monitoring and measuring greenhouse gas emissions, water and waste performance. Ansell is increasingly building energy efficiency considerations into our product development process, so that emissions can be minimised from the outset (see further page 23).

Our performance

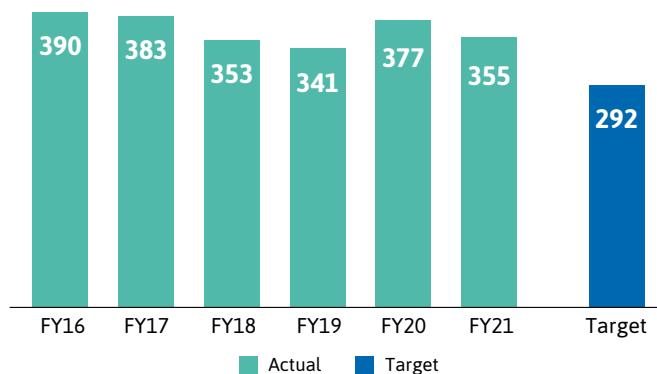
Goal: Continuous improvement to identify and implement energy reduction and efficiency opportunities to support and augment our GHG emissions reduction target.

Energy intensity (mmbtu/million USD production value ('000)*)



Goal: 25% intensity reduction of Scope 1 and Scope 2 emissions, in tonnes of CO₂ – equivalent/\$M production value, below FY16 baseline by the end of FY25.

GHG emissions intensity (MtCO₂e/million USD production value*)



* Cost of production including materials, utilities and labour. Data represents manufacturing sites only.

Our overall energy consumption increased by 17% in FY21 due to a sustained increase in production volumes driven by increased market share and business growth, and expanded production capacities with commissioning of new plants and plant expansions. As demand increased due to the COVID-19 pandemic, we strived to increase our production to support the urgent need to supply protective equipment to frontliners. The accelerated pace of our production volumes and operating capacity outmatched the implementation rates of our investments in renewable energy. As part of our \$23m portfolio of water, energy, and waste projects, we aim to convert our energy sources into renewables, where feasible. As 83% of energy consumption at the sites is from thermal energy sources, we intend to focus investments on replacing and optimising thermal energy consumption sources with more efficient energy sources as primary contributors to reduce GHG emissions from our FY20 baseline. For example, our biomass facilities in Thailand and Sri Lanka have reduced consumption natural gas and replaced the use of furnace oil at the sites, resulting in a total of 79,000 MTCO₂e from our GHG emissions inventory. We expect investments to reduce further 50,000 MTCO₂e in GHG emissions from our FY20 baseline.

To effectively operationalise new facilities and investments, we consider the best available option for each site, considering geographic and regulatory factors, financial viability and projected greenhouse gas savings. During the year, we faced challenges and delays in implementing new projects on site due to the movement restrictions related to the pandemic. Nonetheless, we closely monitored the progress of our planned projects to ensure timely implementation and successfully operationalised the following projects during the year.

Solar

In FY21 we installed Solar Photovoltaic systems (PV) at our plants in Thailand. This is a new addition as part of our committed investment portfolio. To date, over 1.6MW of solar photovoltaic generation capacity have been installed across the roofs of Ansell manufacturing facilities in China, Sri Lanka and Thailand. Manufacturing will benefit immensely from the clean, renewable energy derived from solar power, reducing electricity costs and GHG emissions. We have identified direct or third-party solar PV projects to invest in at all major manufacturing sites, which we will continue to rollout over FY22.

Purchased Electricity

In FY21 we achieved 100% electricity consumption from renewable sources in our Lithuania plant via a guarantee of origin power purchase agreement. This results in both our Portugal and Lithuania plant operating on electricity generated from renewable sources. It is certainly a significant milestone to improve the environmental impact from a product's life cycle. This also makes a relatively small but positive contribution to Group-wide performance.

Biomass

Another greenhouse gas emissions reduction program Ansell explores is the use of biomass to fuel High Pressure Hot Water Generators (HWGs). In FY21, we fully operationalised the second biomass facility at our site in Thailand. In addition to the biomass HWGs currently operational in Sri Lanka, and Thailand, Ansell has five biomass facilities group-wide. To date, biomass is used to fuel HWGs that produce over 40% of the thermal energy required at Ansell manufacturing facilities.

Case study: Knowledge sharing with government towards renewable energy policy change

This year Ansell collaborated with other organisations and governments to make it easier to purchase and use renewable energy in South East Asia and Sri Lanka. We see collaboration as a key lever to help shift the markets that we operate in towards a lower carbon future. As a global company, we also have the opportunity to share learnings across geographies.

For example, we are a stakeholder in the pilot of the direct power purchase agreement (PPA) program in Vietnam, as part of a wider stakeholder group of various public and private agencies and bodies, and in support of Vietnam's Low Emission Development Strategy.

We have also engaged the government departments on the emphasised need for the Sri Lankan government to respond to potential risks associated with low-carbon transitions in export markets, by introducing a corporate PPA model that could act as an investment initiative for businesses operating in Sri Lanka. This has resulted in meetings with relevant Cabinet Ministers to discuss options for improving access to renewable energy for local industries.



Looking ahead

In FY21 we explored tenders from potential vendors for biomass systems and a combined heat and power plant in our Kedah and Melaka plants, respectively. Part of a large investment and longer-term solution to renewable energy, we are careful to consider technicalities of the renewable energy systems, such as energy efficiencies and how these systems will support our future net zero goal.

In FY22, we will continue to conduct feasibility studies and engagements with vendors and technical experts prior to finalising and launching projects. This will be part of a wider roadmap and establishing strategic priorities towards our net zero goal.



Water

Our perspective

Ansell's manufacturing plants depend on the supply of high-quality fresh water, which is facing increased threat due to climate change, as noted in our climate risk assessment (see page 49). Water is used in processes such as glove leaching (rinsing gloves to remove residual chemicals and proteins) and is an important input to the quality of our products, particularly examination and surgical gloves. We have a responsibility to minimise the water that we consume from shared resources and to return wastewater to water basins pollutant free. We are also considering the embedded water in the raw materials that we source among other environmental impacts and testing alternative sourcing options (see further page 23).

Our approach

Our facilities predominantly use water purchased from municipal utilities, with smaller withdrawals from groundwater abstraction and rainwater harvesting. We reduce our dependency on direct and indirect water withdrawals through conserving water, rainwater harvesting, water recycling and optimising water efficiency in production processes. We are also consciously developing products that require less water to manufacture (see further page 23).

Ansell incorporates water demand, supply and infrastructure into investment decisions related to new plants and expansions. In FY21 we partnered with World Resources Institute (WRI) to conduct a water risk assessment for all our manufacturing sites. The intention was to better understand water-stressed and high-risk basins in our operations and their potential risks and impacts on our value chain. We found that the highest water-related risks (in addition to basin level water-stress) facing our sites are:

1. Drought risk
2. Riverine flood risk (when a river breaks its banks and floods surrounding land)
3. Untreated connected wastewater risk – defined as the percentage of domestic wastewater that is connected to a water basin through a sewerage system and not treated to at least primary treatment level.

In certain sites other risks are also significant. For example, baseline water stress is extremely high for Ansell Thailand, indicating that there is high competition for a limited water supply. The outcome of these assessments will be used to closely inform our water stewardship strategies FY22 onwards. During the year, we also joined the Aqueduct Alliance to explore collaborations and partnerships for shared solutions.

“Ansell is pleased to join the Aqueduct Alliance, engaging with the World Resources Institute and other Alliance members to gain insights into leadership-level strategic water stewardship activities and contributing towards a shared global goal of achieving a water-secure future. Collaboration to overcome our shared water risks will be critical to the success of this effort – and Ansell is excited to work with the Aqueduct Alliance, supporting Ansell’s ongoing efforts for a more sustainable future. We look forward to achieving great things together!”

John Marsden, SVP Operations & Supply Chain

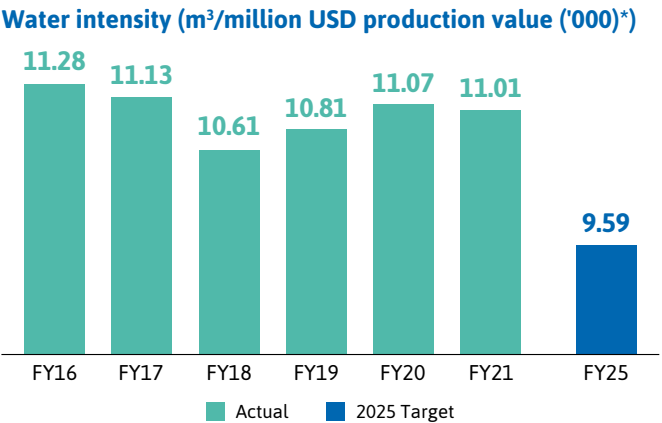
In FY21 we set an internal absolute water withdrawal target to supplement our externally facing water intensity target. We also drove site-level engagement on sustainable water management by training 150 employees on the importance of water conservation and Ansell’s water target and performance measurement (see further page 54).



A tank at Ansell’s Thailand plant holds water to be filtered through our Reverse Osmosis system and reused.

Our performance

Goal: 15% intensity reduction in water withdrawal, measured in m³/\$M production value, below the FY16 baseline by the end of FY25.



* Data represents manufacturing sites only.

In FY21 our water withdrawal increased by 13% due to the surge in production volumes due to COVID-19, which emphasised requests for healthcare products, such as single-use gloves, which consume a higher portion of water during production. One of the key projects to influence water withdrawal reduction efforts is

the commissioning of the Reverse Osmosis (RO) facilities, as part of our project portfolio. In FY21, Ansell’s first large scale RO treatment facility was installed in Thailand, with future investments being planned in Malaysia and Sri Lanka in FY22. Once completed, these projects will result in a 35% reduction of Ansell’s total water withdrawals.

Reverse osmosis is a viable option as it restores treated wastewater for reuse within our operations and in turn reducing our water withdrawals. Significant impact to the return on investment for reverse osmosis projects is the fact that water is heavily subsidised by the government in our areas of operation. However, we will continue to explore opportunities to reduce our water withdrawal levels, including reverse osmosis projects, and other projects in water-stressed areas to reduce our environmental impact.

Looking ahead

Using the experience and knowledge from the current reverse osmosis system currently operational in our Thailand expansion, we intend to implement this technology at other sites. Using the outcome of the assessments, we will review our water stewardship strategies. This includes business transformation decisions, and a review of current water withdrawals targets in FY22. Our engagement with the World Resources Institute (WRI) and other Aqeduct Alliance members will be vital in defining strategies.

Operational resource efficiency and waste

Our perspective

Our ambition is to achieve zero waste to landfill by 2023. The impacts of waste to landfill extend beyond physical pollution and land contamination to water pollution and greenhouse gas emissions. Local compliance remains pertinent, and we continue to invest and identify opportunities to divert waste from landfill.

Our approach

In December 2019, we set an ambitious, short-term target of 'Zero Waste to Landfill by 2023' for our all our plants across the world. The target is an integral part of Ansell's journey to review at waste management and generation from the source, operational efficiency and manage the 'end-of-life solutions' of the materials and inputs we use. We based our approach on the 5R principles:



Refuse

End the use of disposable items and toxic generating goods or services.



Reduce

Limit our ecological footprint.



Reuse

Choose items that we can use over and over again.



Recycle

There is surely usefulness beyond the conventional lifecycle of anything.



Restore

Hasten the revitalisation of natural systems.

The road to achieving this target is unique to each plant. We have already been practicing waste segregation and appropriate waste handling and disposal in compliance with laws and regulations, as guided by our site-level standard operating procedures and environmental management system (ISO 14001: 2015, certified across almost all Ansell manufacturing sites). Given the differences in local laws and regulations on waste handling and disposal, we had to be localised and targeted in our approach. Waste generated from our activities include hazardous waste, such as sludge from wastewater treatment plants, contaminated materials, expired chemicals, and non-hazardous waste, such as scrap materials, paper, plastic and food waste. A large effort was launched in FY20 as we made our journey to zero.

Steps on our journey to zero

Awareness and Training

Increasing employee awareness on the purpose of our Zero Waste to Landfill goal and the planned approach to achieve the goal

Waste Identification

Identifying the different waste streams and sources of generation

Waste Segregation

We segregated waste beyond regulatory classifications. Waste could be broken down further into types of waste and the recyclability of the waste

Waste Reduction and Diversion

Looking for alternative disposal methods, including waste to energy from incineration, and looking for waste reduction opportunities

Zero Waste to Landfill Certification

Independent, third-party certification of landfill diversion rate exceeding 99%, accomplished at each site

Sharing Improvements

Solutions from each site are shared with each other, and in FY21 improvement areas from the certification process were shared.

Constantly Improving

We identify improved reduction & identification opportunities for waste management mechanisms in line with circularity principles

Improved data also informed our increased focus. By analysing the biggest contributors of waste to landfill at our sites, we found that 80% of the total figure was comprised of general waste. This led us to focus on doing a better job of segregating general waste at our plants and increasing the proportion of waste that we were able to recycle, reuse or find alternative disposal solutions.

8%



In FY21, only 8% of total waste generated went to landfill

78%



During the year, we reduced waste to landfill by 78%

Case study: Composting at our Vietnam plant

At our plant in Vietnam, we started segregating and collecting our domestic waste differently. We looked at various sources of waste – such as food waste, cups and food container waste at the canteens, and even waste from cutting grass or fallen leaves. We were able to segregate the waste into further sub-categories and started composting vegetable waste and loose leaves/cut grass waste. The compost is used to tend plantings on the facility grounds, and has raised awareness among employees on how they can contribute to a more sustainable environment.



1. Issued by the Central Environmental Authority of Sri Lanka.

Exploring opportunities to continuously improve waste management

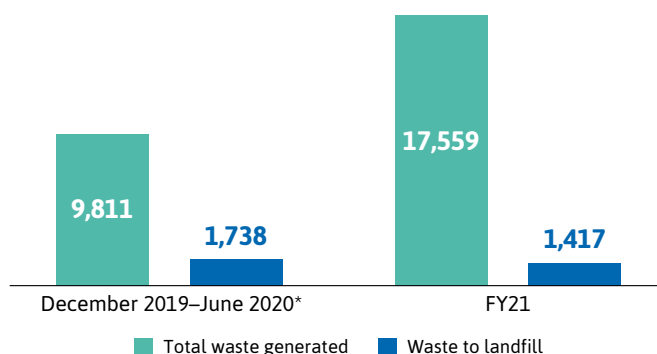
Waste management vendors were important partners as we executed our strategies. In locations where waste disposal boundaries of local laws were limited, we decided to vet and select vendors specialising in different materials or waste handling solutions. Criteria for partnerships included: availability of environmental licenses (e.g. Environmental Protection Licenses (EPL))¹ held by vendors, formal contracting on diverting our waste to landfill and transparent information sharing, vendors' compliance to laws and regulations, and willingness to be audited and engaged via training and briefings to continuously improve. The capabilities of selected vendors largely influenced the collection and segregation of general and hazardous waste at the sites. For example, in FY21, the EHS team at Ansell Textiles Lanka in Seeduwa, Sri Lanka, performed on-site audits of our vendors, which included a review of waste handling processes and protocols on site, waste data tracking and documentation, and evidence of relevant certification. This enabled us to determine appropriate management of our waste and track the final handling and disposal method.

Persistent challenges still remain in our key markets, especially inadequate infrastructure or technologies by third-party waste management vendors offer alternative waste management solutions and meet waste disposal requirements set by regulatory frameworks. We are working through these by identifying specific opportunities to divert waste from landfill at these sites. For example, in Thailand we send used ceramic formers to the cement industry for waste-to-energy co-processing instead of incineration. In Sri Lanka, ceramic formers are recycled into materials used in the manufacture of refractory bricks, reducing the need for the use of virgin raw materials.

Our performance

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

Volume of waste Dec 2019 – FY21 (Metric Tonnes)



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

In FY21, we diverted 92% of waste generated from landfill (FY20: 86%). This meant that from FY20, we were successful in increasing the number of landfill diversion pathways for the waste we generated.

Operational resource efficiency and waste continued

A credible achievement and learnings shared

In FY21, Ansell Textiles Lanka (ATL) in Seeduwa, Sri Lanka, and our Lithuania plant were both successfully certified by Intertek, an independent third-party on each sites' achievement of a waste to landfill diversion rate exceeding 99%, against Intertek's Zero Waste to Landfill certification criteria.

The ambition, teamwork and creativity of our people drove the progress at our plants in Lithuania and Seeduwa, Sri Lanka to accomplish the Zero Waste to Landfill goal two years earlier than the target year.



Waste storage area at our Lithuanian plant.

Waste to landfill diversion at our plant in Lithuania is substantially supported by local infrastructure and regulatory framework. This enables us to dispose our waste via preferred waste handling solutions such as recycling and waste to energy, as these options are handled by vendors and the municipality in line with the Landfill Directive of the European Union².

For example, hazardous waste such as chemical-contaminated containers, absorbents and expired chemicals are handled by vendors to convert waste to energy. We also established processes to appropriately segregate mixed waste, and our non-hazardous waste, such as paper, plastic and metal waste, are recycled by vendors. These are part of the disciplined and informed culture set by the site EHS team in Lithuania to meet regulatory requirements and achieve Zero Waste to Landfill goal.

At ATL, the availability of waste management vendors capable of handling different waste streams, required us to segregate our waste differently and select suitable vendors to partner with. Therefore, the capabilities of selected vendors largely influenced the collection and segregation of general and hazardous waste at the sites. ATL's strategy was to re-use, recycle and upcycle general waste and send hazardous waste for co-processing, where legally permissible. This resulted in a unique portfolio of waste management and waste disposal destinations:

Upcycle

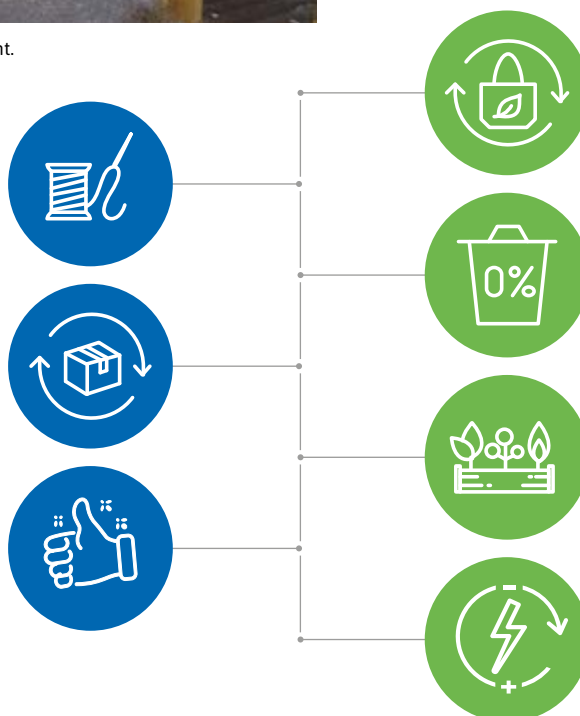
Fabric offcuts are converted to yarn.

Re-used and Recycled – Paper and Cardboard waste

Paper and cardboard waste is re-used, wherever possible, and the balance is recycled.

Upcycle

Iron waste is upcycled into steel bars.



Reduce – Plastic waste

We reduced our plastic waste by bundling finished goods into canvas bags instead of polythene bags.

Recycle – Plastic waste

Plastic waste, such as uncontaminated plastic tubes, threads, barrels, buckets, and polythene waste, is converted to polythene bags and plastic pellets.

Energy recovery – Timber waste

Timber waste is provided to army camps in Seeduwa, to be used as firewood (fuel for cooking).

Co-processing

Hazardous waste goes to a cement plant, where waste is used as a fuel source in the kiln, which reduces their use of energy from fossil fuels.

Looking ahead

We're continuously exploring waste minimisation across the 5R principles, as we leverage emerging technologies and develop new solutions. The learnings from the internal gap assessments and third-party audits were key in identifying areas of improvement. The findings are shared with other plants via dedicated site meetings with global EHS teams, as we prepare other sites for independent certification against Intertek's Zero Waste to Landfill criteria (diversion rates exceeding 99%) in FY22.

2. Directive 2018/850 of the European Parliament and of the Council amending Directive 1999/31/EC on the landfill of waste.

Responsible supply chains

Sustainability has increasingly become a part of our conversation with our suppliers. In particular, we assess prospective Global Sourcing suppliers' commitment to sustainability through our tender process and Supplier Evaluation Form.

Some of our suppliers managed by Global Sourcing, including some natural latex, packaging and healthcare suppliers, are also required to undergo four-pillar audits using SMETA methodology, which includes consideration of environmental performance. Where an audit raises an environmental non-conformance, we work with the supplier to develop a corrective action plan and monitor close out.

Part of our approach to managing environmental impacts in our supply chain, including those linked to raw materials and packaging, is to consider them as part of our research and development process (see further page 23).

For detail on our approach to labour rights in our supply chain, see page 32.

Looking ahead

In FY22, we will prioritise the roll out and implementation of our Supplier Management Framework (Framework). As part of the partnerships element of the Framework, we are rolling out a structured approach to our raw material sourcing. Many environmental issues relating to the production of raw materials such as cotton and rubber are entrenched in the industry. To better manage these risks, we are exploring opportunities for industry collaboration and for the use of certification, including the Better Cotton Initiative for cotton, and responsible rubber programs.

More details on the Supplier Management Framework are on page 35 of this report.



Ansell is exploring industry collaborations to improve the management of natural resources like rubber and cotton.

Appendices

Performance data tables

Workforce

Headcount by employment type, region and gender (as at 30 June 2021)

	North America	Latin America & Caribbean	Europe, Middle East & Africa	Asia Pacific	Female	Male	Total
Employees	582	389	998	12,190	7,144	7,015	14,159
Contract/temporary workers	90	36	112	1,115	689	704	1,393

% Women in leadership (as at 30 June 2021)

	FY19	FY20	FY21
Non-Executive Directors	50.0	50.0	50.0
Executive Leadership (Director level and above)	24.8	27.7	34.6
Management (Manager through to Associate Director)	34.3	34.7	36.5

% Turnover

	FY17	FY18	FY19	FY20	FY21
Male staff turnover	23.0	17.8	15.6	17.0	19.05
Female staff turnover	22.4	20.1	19.6	21.4	21.38
Total turnover	22.7	19.1	17.6	19.3	20.23

% Turnover – Professional employees

	FY21
Male staff turnover	5.69
Female staff turnover	6.33
Total turnover	5.99

% Turnover – Production employees

	FY21
Male staff turnover	23.03
Female staff turnover	25.08
Total turnover	24.09

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 LTIs and excludes community incidents and fatalities related to COVID-19, in line with the guidelines put forth by the United States Occupational Health and Safety Administration.

	FY17	FY18	FY19	FY20	FY21
Lost time injury frequency (per 100 employees per year)	0.047	0.063	0.046	0.081	0.060
Days lost frequency (per 100 employees per year)	1.143	3.522	2.463	1.580	4.049
Medical treatment injury (per 100 employees per year)	0.259	0.281	0.257	0.198	0.232
Near miss frequency rate (per 100 employees per year)	32.233	33.078	35.305	39.920	46.440
Fatalities (number)	0	0	0*	0	0
Fatalities (per 100 employees per year)	0	0	0	0	0

* 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^

Metric	FY17	FY18	FY19	FY20	FY21
mmbtu/million USD production value ('000)	6.47	5.93	6.03	6.12	6.32

Greenhouse gas intensity^

Metric	FY17	FY18	FY19	FY20	FY21
MTCO ₂ e/million USD production value	383	353	341	377	355

^ Emissions are measured for manufacturing sites only. Our distribution centres and offices are leased and therefore fall under scope 3 emissions.

Greenhouse gas emissions*

Metric	Metric tons CO ₂ e		
	Baseline (FY16)	FY20	FY21
Scope 1 emissions	109,133	119,120	126,937
Scope 2 emissions (market based)	82,204	94,610	101,615
Direct biomass emissions	n/a	206,458	253,077

Composition of Scope 1 emissions*

Greenhouse gas	Scope 1 emissions* (metric tons of CO ₂ e)
CO ₂	124,910
CH ₄	1,704
N ₂ O	323

* Emissions measured for manufacturing sites only. Our distribution centres and offices are leased and therefore falls under scope 3 emissions.

Water intensity*

Metric	FY17	FY18	FY19	FY20	FY21
m ³ /million USD production value ('000)	11.13	10.61	10.81	11.07	11.01

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

Volume of waste*

Metric	FY21
Total waste volume (MT)	17,559
Waste to landfill (MT)	1,417
% Waste to landfill	8%

* Ansell began formally reporting on waste volumes in December 2019. This is the first year reporting full year of performance.

Statement around verification of data

Environmental data is provided monthly by cross-functional teams including Engineering, EHS and Finance at each of our manufacturing facilities, and compiled by the Environmental Sustainability arm of Global EHS. This team together with Global Engineering follows up on data-gaps and anomalies and performs verification against documentary evidence submitted (including invoices, meter readings and consumption records). All data is used to update SmartSheet Dashboards so there is clear visibility on site-level and group-level performance. Towards the end of the financial year, Ansell's internal audit team conducted an internal assurance to verify the data set out within this report.

In addition to the internal assurance, Ansell's FY21 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-27	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-27	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
Asepal	Professional organisation	Spain	Member
Malaysian Rubber Glove Manufacturers Association	Professional organisation	Malaysia	Ordinary member
Responsible Labour Initiative / Non-profit membership organisation / Global / Member / Supplier Ethical Data Exchange (SEDEX)	Non-profit membership organisation	Global	Member

Material topic definitions

Material topic	Definition	Boundary
Better Society		
Labour rights	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
Employee health and safety	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
Recruitment and engagement	Attracting, developing and retaining a skilled workforce, including white and blue collar employees. Managing availability of labour as a strategic constraint.	Ansell
Diversity and inclusion	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
Community engagement and investment	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
Business ethics and governance	Upholding the highest legal, moral and ethical standards in our corporate activities. Managing cybersecurity risks.	Ansell
Better Environment		
Energy and emissions	Reducing the greenhouse gas impacts of our operations through energy efficiency and use of renewable energy.	Ansell operations
Responsible supply chains	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
Water stewardship	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
Climate risk	Recognising and taking steps to increase the resilience of Ansell's operations and supply chain to climate-related risks.	Ansell Supply chain Logistics
Operational resource efficiency and waste minimisation	Minimising manufacturing waste by increasing the efficiency of our resource use, increasing recycling, and consideration of opportunities to reuse materials.	Ansell operations
Environmental impact and compliance	Maintaining compliance with environmental regulations, and minimising the environmental impacts associated with Ansell's operations.	Ansell operations
Better Business		
Quality protection solutions and innovation	Providing our customers with innovative, quality safety solutions. Continued focus on research, development and innovation across products and processes. Working to reduce adverse social and environmental impacts of Ansell's products and packaging throughout their lifecycle.	Ansell Supply Chain Customers and end users
Business continuity and demand response	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
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102-3	Location of headquarters	Page 8
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102-5	Ownership and legal form	Page 69
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102-7*	Scale of the organisation	Page 8
102-8*	Information on employees and other workers	Page 62
102-9	Supply chain	Page 21
102-10	Significant changes to the organisation and its supply chain	Page 9, 21 & 2021 Annual Report (Performance Section)
102-12	External initiatives	Page 11
102-13	Membership of associations	Page 64
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102-14	Statement from senior decision-maker	Page 2
102-15	Key impacts, risks and opportunities	Page 5
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102-16	Values, principles, standards and norms of behaviour	Page 18 Page 11 of Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Page 18
Governance		
102-18	Governance structure	Page 17
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102-20	Executive-level responsibility for economic, environmental and social topics	Page 19
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102-22*	Composition of the highest governance body and its committees	Page 16 Page 3 of Corporate Governance statement Page 34 of Annual Report 2021
102-23	Chair of the highest governance body	Page 4 of Corporate Governance statement Page 34 of Annual Report 2021
102-24*	Nominating and selecting the highest governance body	Page 16 Page 6 of Corporate Governance statement Page 42 of Annual Report 2021
102-25*	Conflicts of interest	Page 10 of Corporate Governance statement
102-26	Role of the highest governance body in setting purpose, values and strategy	Page 18
102-27	Collective knowledge of highest governance body	Pages 19, 20 The full Board participated in a sustainability capacity building session during FY21, led by third-party experts.
102-28*	Evaluating the highest governance body's performance	Page 9 of Corporate Governance statement
102-29	Identifying and managing economic, environmental and social impacts	Pages 7, 19
102-30	Effectiveness of risk management processes	Page 5 of Corporate Governance statement
102-32	Highest governance body's role in sustainability reporting	Page 19
102-35*	Remuneration policies	Page 9 of Corporate Governance statement Page 56 of Annual Report 2021

Indicator	Description	Reference
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103-2	The management approach and its components	Per material topic
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Economic performance		
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Tax		
207-1	Approach to tax	Tax transparency statement
Energy		
302-1	Energy consumption within the organisation	Page 55
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Water and effluents		
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303-2	Management of water discharge-related impacts	The quality of water discharged from Ansell's 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 rely on estimates for others; we therefore focus our monitoring on withdrawals.
Emissions		
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Waste		

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409-1*	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 33
Human rights assessment		
412-1*	Operations that have been subject to human rights reviews or impact statements	Page 33
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413-1*	Operations with local community engagement, impact assessments and development programs	Page 45 – 47
Supplier social assessment		
414-2*	Negative social impacts in the supply chain and actions taken	Page 32 , 33
Socioeconomic compliance		
419-1	Non-compliances with laws and regulations in the social and economic area	Ansell is not aware of any instances of significant fines or non-monetary sanctions during the reporting period in relation to non-compliances with laws and regulations in the social and economic area.

About this report

This report covers Ansell's sustainability performance for the period 1 July 2020 – 30 June 2021. All disclosures made within this report cover Ansell Limited and the entities it controlled during the reporting period unless otherwise stated. A full list of entities Ansell controlled during the reporting period is set out in our 2021 Annual Report.

All financial data in this report is expressed in US dollars, and environmental data is metric unless otherwise stated. There are no restatements of prior year data in this report. Ansell reports annually; its 2020 Sustainability Report was released on 14 October 2020. Prior sustainability reports can be accessed at: <https://www.ansell.com/us/en/about-us/sustainability>.

The structure and content of this report were reviewed by responsible members of the executive team and by the Sustainability and Risk Committee of Ansell's Board; the final content was approved by Ansell's Chief Executive Officer. Ansell's internal audit team conducted internal assurance to verify data set out within this report.

This report references the Global Reporting Initiative (GRI) Standards 2016, as detailed in the GRI index (page 66–68). In FY21, we have made progress towards alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). See (page 49) for further details.

We value your feedback on Ansell's sustainability performance and the 2021 Sustainability Report. To provide feedback or for any questions regarding this report, please contact:

Martin Evans

Joint Company Secretary, Ansell Limited
Email: martin.evans@ansell.com

Christine Burke

Senior Manager, Corporate Communications & Social Responsibility
Email: christine.burke@ansell.com



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