Ansell

24 August 2021

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ANSELL LIMITED (ANN)
Appendix 4E & Annual Report for the year ended 30 June 2021

Please find attached for release to the market Ansell Limited's Appendix 4E and Annual Report for the period ended 30 June 2021.

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

Yours sincerely

Martin Evans
Joint Company Secretary
Ansell Limited

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Appendix 4E

For the year ended 30 June 2021
Ansell Limited and Subsidiaries

ACN 004 085 330

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Results for Announcement to the Market			US$m
Revenue from ordinary activities	up	25.6%	2,026.9
Operating profit after tax attributable to members	up	57.5%	246.7
Net profit for the period attributable to members	up	57.5%	246.7

Dividends (distributions)	Amount per share	Franked amount per share
Dividend	43.60¢	Nil

Record date for determining entitlements to the dividend	31 August 2021
Dividend Reinvestment Plan election cut off date	1 September 2021
Dividend payment date	16 September 2021

Net Tangible Asset backing	2021 US$m	2020^ Restated US$m
Shareholders' Equity attributable to Ansell Limited shareholders	1,551.2	1,383.9
Less Intangible Assets	1,077.1	1,054.9
Net Tangible Assets	474.1	329.0

	2021	2020^
Net tangible asset backing per ordinary share	$3.70	$2.56

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the accompanying audited Financial Statements.

Associates and Joint Ventures

Ansell Limited's associates and joint ventures are included at Note 8 of the accompanying audited Financial Statements.

- This report is based on Financial Statements which have been audited.
- Refer to the accompanying Annual Report (which includes the Report by Directors), ASX Announcement and Investor Presentation for commentary on the figures reported above and the remainder of the information requiring disclosure to comply with Listing Rule 4.3A.
- This report is presented in United States dollars.

GROWTH AND PERFORMANCE

RESPONDING TO CRITICAL GLOBAL NEED

Annual Report 2021

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Ansell continues to deliver high performance PPE throughout the world and we have proven the success of our long-term business strategy.

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About Ansell

Ansell is a safety company and our mission is to provide innovative and effective solutions for safety, wellbeing and peace of mind, no matter who or where you are.

Everyday more than 14,000 people located in 55+ countries design, manufacture and market products on which millions of workers and healthcare professionals rely.

Ansell:

- operates in the Industrial and Healthcare industries;
- is number 1 or 2 in most key market segments globally;
- provides safety assessments for every industry;
- sells approximately 12 billion gloves per year; and
- protects more than 10 million workers each day.

Ansell

Our Values

Integrity
We value doing what is right and ethical.

Trustworthiness
We value acting with respect, fairness and dependability.

Agility
We value responsiveness to customers and each other, openness to change and flexibility.

Passion
We value energy and excitement, commitment, drive and dedication.

Creativity
We value inventiveness, innovation and new and original ways of thinking.

Involvement
We value our team members' input, influence and initiative.

Teamwork
We value collaboration and a sense of partnership and sharing.

Excellence
We value a tenacious focus on results, accountability and goal achievement.

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Financial Summary

Statutory Results Ansell Group	Results in Constant Currency	Healthcare GBU Results	Industrial GBU Results
↑26% Sales up	↑22% Sales up	↑35% Organic Growth up	↑7% Organic Growth up
↑56% EBIT up	↑51% EBIT up	↑66% Constant Currency EBIT up	↑21% Constant Currency EBIT up
↑58% Profit Attributable up	↑48% Profit Attributable up		
↑60% EPS up	↑51% EPS up		

Currency Reporting – United States Dollar (US$)

The US$ is the predominant global currency of Ansell's business transactions and the currency in which the global operations are managed and reported. Non-US$ values are included in this report where appropriate.

Key Definitions

Ansell's financial results are reported under International Financial Reporting Standards (IFRS). Certain non-IFRS measures are presented in this report to enable understanding of the underlying performance of Ansell without the impact of non-trading items and foreign currency impacts. Non-IFRS measures have not been subject to audit or review. The non-IFRS measures are defined as follows and apply throughout this report.

EBIT

EBIT is defined as Earnings Before Interest and Tax.

Operating Cash Flow

Operating Cash Flow is defined as net receipts from operations per the Consolidated Statement of Cash Flows adjusted for net payments for property, plant and equipment and intangible assets, repayments of lease liabilities, net interest paid, and tax paid.

Constant Currency

The presentation of constant currency information is designed to facilitate comparability of reported earnings by restating the prior period's results at the exchange rates applied in determining the results for the current period. This is achieved by analysing and estimating, where necessary, revenue and cost transactions by underlying currencies of our controlled entities. These transactions are converted to US$ at the average exchange rates applicable to the current period on a month by month basis.

In addition, the following adjustments are made to the current and prior year's results: the profit and loss impact of net foreign exchange gains/ losses is excluded; and the foreign exchange impact on unrealised profit in stock is excluded.

The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board.

Organic Growth

Organic growth is sales growth on a constant currency basis (as described above) after excluding the impact of acquisitions, divestments and exited products.

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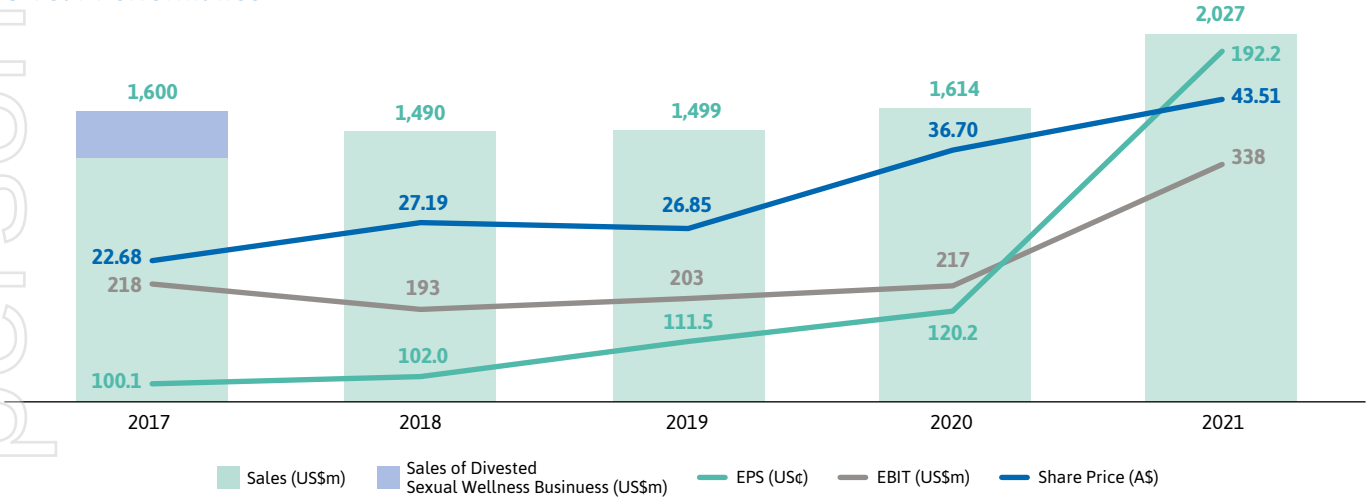
5 Year Performance



	2017[1]	2018 Adjusted[2]	2019 Adjusted[2]	2020 Restated[3]	2021
Sales (US$m)	1,599.7	1,489.8	1,499.0	1,613.7	**2,026.9**
EBIT (US$m)	217.8	193.1	202.8	216.7	**338.0**
Profit Attributable (US$m)	147.7	146.7	150.9	156.6	**246.7**
Operating Cash Flow (US$m)	146.0	104.5	164.7	191.7	**49.2**
Earnings Per Share (US cents)	100.1	102.0	111.5	120.2	**192.2**
Dividends Per Share (US cents)	44.00	45.50	46.75	50.00	**76.80**
Ansell Share Price[4] (A$)	22.68	27.19	26.85	36.70	**43.51**

1. 2017 represents total Group statutory results before the divestment of the Sexual Wellness business.
2. 2018 and 2019 results are adjusted to remove the costs associated with the Transformation Program.
3. 2020 results have been restated on account of the 2021 change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements.
4. Share price is the closing price on the last trading day of each financial year.

Our Global Footprint

The expansion of Ansell's global sales force provides market leading coverage and capability and reduces the concentration risk in one country, distributor or customer.

With a new manufacturing facility in Russia and significant investment in new capacity at our manufacturing operations around the world, Ansell is preparing for increasing requirements for self-sufficiency in numerous PPE markets.

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Global snapshot

20+
Warehouses

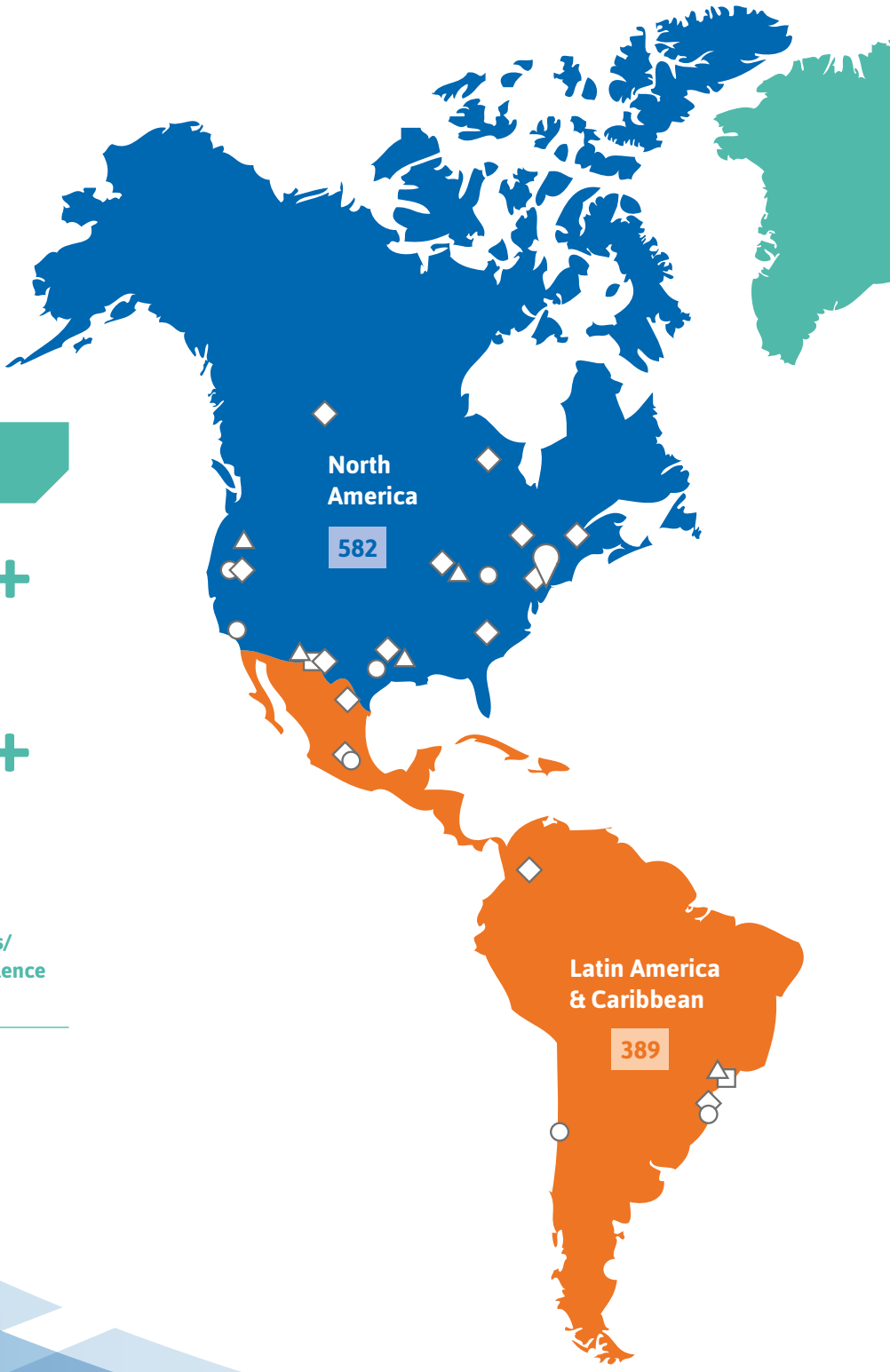
800+
Sales force

Sales presence in
55+
Countries

Sales in
100+
Countries

14
Manufacturing facilities

19
R&D facilities/ Centres of Excellence



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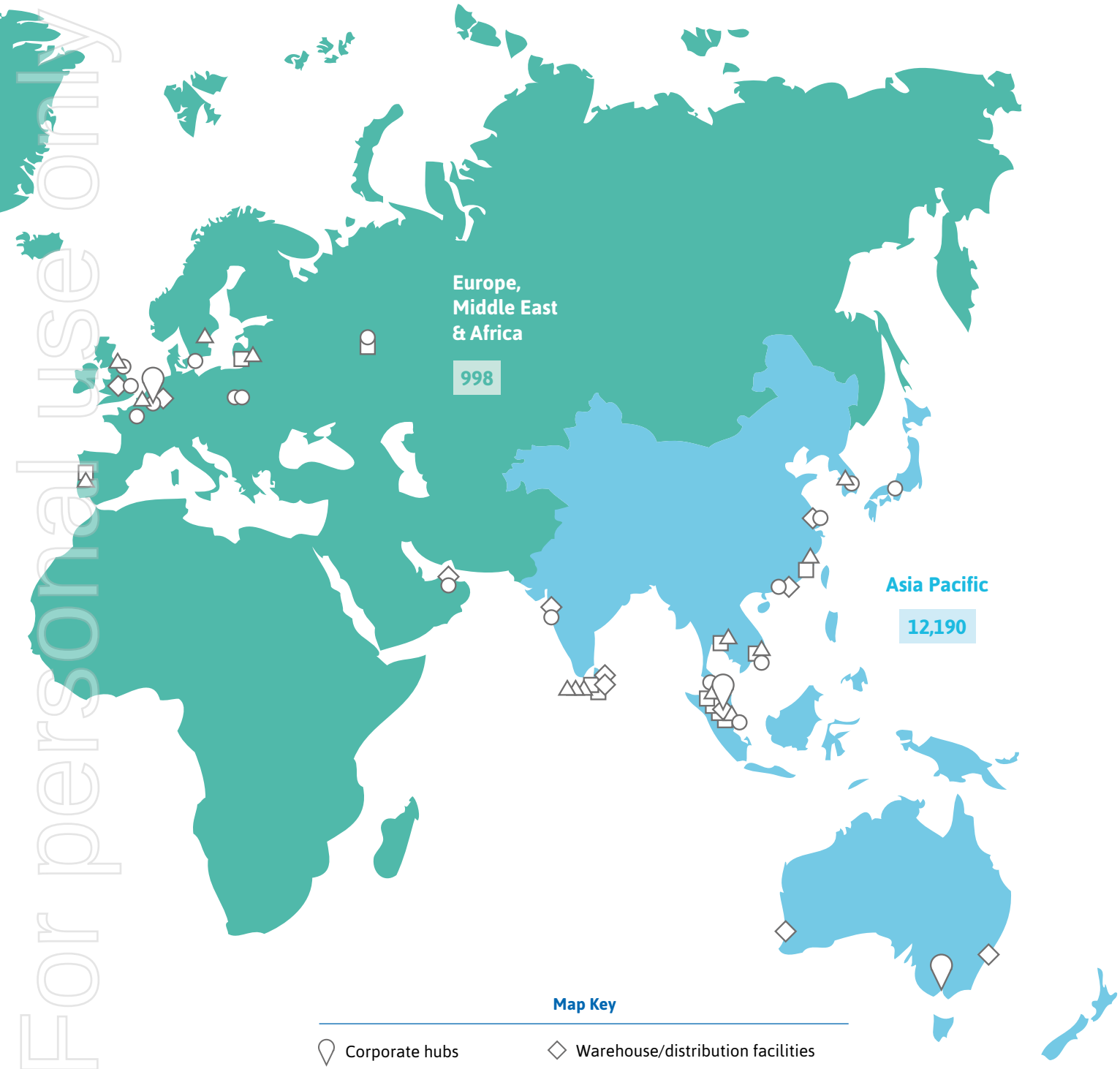

Map Key

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

Investing to Support Future Growth

Ansell has increased its investments over the last two years to meet greater demand for its products. In particular, Ansell has invested heavily in:

1. state-of-the-art equipment combining advanced process automation and sustainable manufacturing practices;
2. additional resources in the global engineering team; and
3. new products and technology innovation.

This will enable growth through capacity expansion and asset resilience and further improve asset efficiency.

Single Use Gloves *(Thailand)*

Plans for seven highly efficient and automated lines in Bangkok, capable of producing our proprietary technologies and differentiated TouchNTuff® styles. Three lines are now operational and once completed will more than double in-house production of single use gloves.

Surgical Gloves *(Malaysia & Sri Lanka)*

Added two new synthetic surgical lines at existing manufacturing sites in Malaysia and Sri Lanka to increase production of our GAMMEX® and ENCORE® branded products.

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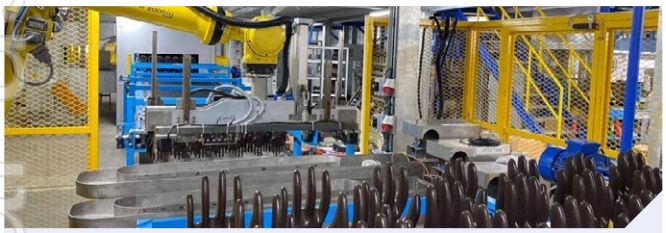
Chemical Body Protection *(Sri Lanka)*

Following expansion in China in FY20 H2, we further expanded capacity in Sri Lanka. We also localised production in Brazil (supporting LAC) and Lithuania (supporting EU).

Chemical Gloves *(Malaysia)*

Added two new state-of-the-art dipping lines in Malaysia to support the continued growth of our differentiated AlphaTec® multi-hazard chemical glove portfolio and related innovation platforms.



Mechanical Gloves *(Portugal & Russia)*

Investment to grow capacity of HyFlex® and ActivArmr® industrial hand protection to provide a locally manufactured product (key in many markets now).

Electrical Protection Gloves *(Malaysia)*

Increased production of electrical protection products to help meet greater demand from automotive electric vehicles, EMS, utilities and green power industries.

Chairman's Review

Magnus Nicolin's leadership over the past 11 years has been the driving force behind the transformation of Ansell.

John Bevan – Chairman

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Dear Fellow Shareholders

Ansell continues to perform extremely well. Record levels of sales drove increased profitability in a very challenging and constantly changing global environment enabling us to reward shareholders with a 53.6% increase in dividends for the year. We have also taken important steps in our ESG and sustainability journey.

Decisions taken as early as 2019 to substantially increase our manufacturing capacity have been rewarded by very strong demand. The pandemic explains some of this. But we've also seen industrial segments hit hard last year return to growth. Although the pricing tailwinds of these last eighteen months will ultimately subside as the crisis phase of the pandemic wanes, the Ansell of today has consolidated its position as a larger, stronger, and more competitive leader in its chosen global markets. Ansell's positive financial performance reflects this.

Magnus Nicolin's leadership over the past 11 years has been the driving force behind the transformation of Ansell. He joined an Australian heritage company in some ways yet to clarify its portfolio and its mission. He set about rectifying the strategic uncertainties and targeting global Personal Protective Equipment (PPE) markets where the Company had potentially strong positions and could make a difference.

When Magnus took over the portfolio it included Sexual Wellness, a business outside the PPE safety core. Its divestment gave us the balance sheet strength to execute on a number of acquisitions, to modernise our existing manufacturing base and to invest for growth. He re-built the Company to succeed through vertical integration: from a manufacturer of specialised yarns, a manufacturer and supplier of the world's most comprehensive range of PPE gloves and clothing, all the way to an expert advisor to customers on the role of PPE products in managing medical and industrial safety risks.

This fully integrated structure enables rapid-fire, customer-focused innovation and this will underpin Ansell's leading market positions for many years ahead. In the process of transforming the Company, Magnus ensured that Ansell became financially successful and a strong generator of cash. Over the journey shareholders have benefitted through improving dividends and share buybacks.

To me, some of the most attractive aspects of Magnus's leadership are his business values, now so clearly evident within the culture of the Company that people notice and want to work for Ansell. We now have a stronger team of people within Ansell than ever before and the culture Magnus fostered within the Company has attracted them. They have enormous pride in working for a company that has a positive impact on society.

When Magnus took over the portfolio it included Sexual Wellness, a business outside the PPE safety core. Its divestment gave us the balance sheet strength to execute on a number of acquisitions, to modernise our existing manufacturing base and to invest for growth.

As previously announced Magnus will retire at the end of the year and Neil Salmon has been appointed CEO/Managing Director effective 1 September 2021. Neil, a UK citizen based in Belgium, commenced his business career with the ICI Group working in diverse corporate and divisional roles. He joined Ansell in 2013 as CFO and was appointed President of Ansell's Industrial GBU in 2019. Neil has the right combination of financial and operational experience and capability for the CEO role at Ansell. He has worked alongside Magnus for many years and was a key contributor to the strategies which transformed Ansell during that time. More recently, Neil's leadership of the Industrial GBU was critical in the management of the initial challenges of the pandemic, positioning the business where it could maximise benefits from the recovery as it emerged. Ansell's strategies are delivering well. Neil understands the drivers of Ansell's success in recent years and I'm confident Neil will build on that momentum.

Following 1 September 2021, until his retirement on 31 December 2021, Magnus's role will be Special Advisor to the Ansell Board and the incoming CEO.

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He will ensure a well-managed transition to the new CEO and will specifically guide the FY21 sustainability reporting and the 2021 Ansell Innovation Awards. In addition, Magnus will ensure the transfer of key external relationships with partners and customers to Neil.

I thank Magnus for his immense contribution to the Company, for the quality of his leadership and judgement, and for his remarkable collegiality which is appreciated by all of us involved with Ansell.

The COVID-19 pandemic has continued to be the dominant influence on the global economy this year as nations recover or succumb to new waves. Ansell has experienced very high demand for its PPE products but has also been forced to manage disruption, especially in manufacturing geographies where we operate including Malaysia and Sri Lanka. Disruption has also impacted our global supply chains as sea freight imbalances create new trade patterns and sudden scarcities of inputs and consumables emerge.

We have continued to experience limits on our ability to travel this year. In response, impressive collaboration across the organisation has ensured our customers are looked after and that our employees are actively engaged with the organisation. This is becoming a challenge now that many new employees have never been to the office and not physically met their managers.

Ansell continues to review its labour standards and both management and the Board are very focused on the issues which involve migrant labour in developing economies. We plan to address our policies and practices again in our Sustainability Report scheduled for release in September. In general, our industry is demonstrating improving standards and we are seeing positive compliance with our requirements. But we make no secret that we are scrutinising our suppliers as exhaustively as we can. We intend to make it even clearer that if we don't see improvements following the flagging of an issue, we will act either to limit our purchases from suppliers in breach or eliminate them as suppliers altogether.

At this year's AGM two long-serving Directors, Marissa Peterson and Peter Day, will retire from the Board. Marissa joined the Board in August 2006 and Peter in August 2007. Both have chaired several Committees during their time with the Company. Marissa most recently as Chair of the Human Resources Committee and Peter as Chair of the Sustainability and Risk Committee. I thank them for their contributions and I wish them well.

As recently announced we are seeking shareholder support at this year's AGM for the proposed election of Morten Falkenberg to the Board as a Non-Executive Director. Morten's biographical details will be included in the notice of meeting. Your Board believes that the capabilities and experience Morten brings to the Board will be of significant benefit to the Company's future.

John Bevan
Chairman

Chief Executive Officer's Review

Ansell is now a stronger and larger global PPE sector leader with enviable manufacturing, marketing and innovation capabilities thoroughly tested by the extraordinary circumstances of our times.

Magnus Nicolin – Managing Director and Chief Executive Officer

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Results/Outlook

I am very pleased to report that Ansell in FY21 achieved the best results ever by a wide margin, recording 22% organic growth (on top of a strong FY20), 56% EBIT growth and a 60% increase in earnings per share to $1.92 per share. Equally impressive is the dramatic increase in manufacturing and sales capabilities as well as output with 12 new glove lines which went live in FY21 and a doubling of Body Protection capacity compared with pre-COVID-19. All of this bodes well for the future and in particular for FY22, as indicated in our formal earnings guidance range.

The continuing pandemic contributed to very high demand for some of our products, which also benefitted from increased volumes and margins due to the greater efficiencies of our highly innovative plant and equipment. However, the general growth in our sales and the strength of our earnings materially exceeded our expectations and this was largely due to the stronger momentum in businesses initially negatively impacted by COVID-19, such as mechanical and surgical gloves.

Ansell is now a stronger and larger global PPE sector leader with enviable manufacturing, marketing and innovation capabilities thoroughly tested by the extraordinary circumstances of our times. These strong results are a credit to the people of Ansell. They have maintained a passionate commitment to delivering vital products to support communities in great need. I have never been so impressed by their skills and commitment as I've been this year. It's evident in the results and I thank them.

Importantly, we don't see a return to pre-pandemic performance levels. Rather, we believe that Ansell's transformation has seen the Company achieve completely new levels of performance and capability sustainable beyond the impact of the pandemic.

The World as it Was

This is my final CEO Annual Report message to shareholders so it's appropriate to look back, take stock and analyse how far the Company has come and where it can go from here.

Ansell was an innovative division of the Australian-based diversified manufacturing conglomerate, Pacific Dunlop, which encountered serious strategic challenges with heavy losses in the late 1990s. This forced it to restructure radically, a lengthy process which seriously challenged the patience of its shareholders. After a series of divestitures, Ansell emerged the principal remaining part of Pacific Dunlop. It carried on as the ASX-listed entity but operated in the reputational shadow of its former parent.

Consequently, my predecessors had focused heavily on restoring the trust with the investor base, essentially by making sure we would deliver on our commitments every single time. Almost by definition, this was a somewhat risk averse path with a focus on maximising cash flow and then using that cash flow to buyback shares and provide steady dividends. The result of this over time was low investment, little innovation, ageing plants and declining competitive advantage.

In 2010 when I began as CEO, Ansell was competing in a highly fragmented global industry. Our competitors fell into three categories: importers based in North America or Europe sourcing product from Asia with limited focus on innovation and no focus on manufacturing; Asian-based manufacturers with solid production capabilities but no focus on brands, sales or customer service; and finally there was a cohort of fully or partially integrated innovators, manufacturers, marketing and sales organisations with potential

for stronger segment leadership. Ansell fell into this latter category together with a number of regional or global competitors such as Honeywell, 3M, DuPont, Showa-Best and Uvex.

Given the fragmentation, it was likely that the industry would consolidate with many players squeezed out or acquired, although the role Ansell would play in the eventual consolidation of the sector was not clear. As it turned out, the list of companies which disappeared from the sector is long. Ansell acquired 14 of them and many more were absorbed by distributors or they simply abandoned the industry.

The Plan of Attack

Broadly, the mission I accepted when I joined Ansell was to go back on the offensive, to restore the innovation power of Ansell of old and to drive growth. But, where to start? In my first few months at Ansell I travelled to see our businesses everywhere. I saw the good and the bad. Some key plants were in serious disrepair. Some could operate only at three-quarter speed in order to maintain quality. There was an urgent need for new investment and engineering attention. Minimal investment over many years at below depreciation levels was clearly not sustainable.

Then there was the good. The people of Ansell I met gave me the most hope and excitement. I found people who were more passionate about the business than I'd ever seen before in any company I'd worked for. What they needed were the resources and the road map.

Financial Highlights

↑22% Organic Sales up	↑56% EBIT up
↑60% EPS up	↑54% Dividends up

Hence the need to review the strategy of the Company. At that time the idea of 'barrier protection' linked our gloves business with our Sexual Wellness business, but it served more to underline the technical linkages of our businesses in hand, rather than to signal a useful strategic direction.

We were a manufacturer but we had outsourced our most innovative products, we had little new product sales and our plants were out of date. We had 250 brands, many of them with little meaning or presence. We had a highly regional structure where each of America, Europe and Asia did what they pleased and with little coordination. The structure produced a mismatch with our globalising customers and caused complications for our plants. It generated modest market positions and thousands of products with very small volumes.

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In addition, we were not preparing for a changing world. For instance, hospital procedures in the developed world 10 years ago accounted for 75% of surgical procedures globally, but it was clear that this was about to change. Strong growth in emerging markets was being fuelled by the growth of middle class populations and increasing standards of healthcare, and today the emerging markets account for the great majority of gloves used. The number of working hands in industry were rapidly shifting from developed markets to China and South East Asia. Ansell needed to adapt to this fast moving reality.

So we pulled together a small strategic team on a project called North Star. That team was formed to collect data on the industry, the market, the competition and its profitability, and the potential of the sectors we operated in. The North Star team produced the insights to shape a plan comprising the strategic pillars which are pretty much still with us today.

The North Star plan had 9 pillars:

1. Globalise Ansell fully with global systems, titles, brands, processes and mission
2. Define a clear mission to be globally No.1 or No.2 in every market and every product category – or if not possible – get out/divest
3. Consolidate to fewer than 10 brands, each with very clear purpose and meaning – a precise DNA
4. Revitalise and scale manufacturing, insource all differentiated products and ensure that Ansell had the most innovative engineering and production capabilities
5. Expand the focus to Emerging Markets – that is where more working hands are and where an increasing percentage of all surgical procedures are conducted
6. Accelerate innovation through better insight and more capability in 10 innovation centres
7. Build scale and critical mass to double sales and profitability through simplification, efficiency, investment and acquisitions in the selected areas
8. Shift the focus from selling gloves to delivering safety and productivity solutions, building on a then budding safety audit program called Guardian®
9. Finally, and perhaps most importantly, leverage the passion of our leaders and workforce, but contrary to the recent past also encourage risk taking and global teamwork.

Transformation

How did we transform Ansell? It was a combination of implementing the strategic pillars above as well as conducting a very deliberate M&A strategy, to ensure that we ended up first or second in each segment we participated in - or we exited. Accordingly, our transformation proceeded in numerous dimensions.

Innovation and Integration

We focused on competitiveness through innovation, giving us a keener focus on customer needs. Then we doubled spending on R&D and opened 5 new innovation centres. Product innovation introduced new demands at the manufacturing level and it prompted us to integrate backwards to produce inputs with entirely specific properties that would ultimately give customers greater utility and value. For example, we decided to purchase our glass, steel, cotton and nylon fibres and to manufacture our own proprietary yarns, rather than purchasing all yarns from third parties. However, we also needed to build back excellence and industry leadership in our manufacturing processes, machine designs and automation solutions and to improve sustainability with investments in bio-mass, solar power and water recycling.

The key enabler of a return to manufacturing excellence was the Corporate Engineering team. The problem was that there were only four corporate centre engineers/architects when I arrived, and we concluded we needed to significantly enhance that capability. Now there are 60 engineers in that team giving us the capability to lead the industry in machine design and inventiveness.

To ensure that our manufacturing capabilities were best in class and to make sure we could support the growth of the business we increased annual manufacturing capital expenditure from $12 million in FY10 to $76 million today. The latest generation of machinery just going live is larger, more efficient, more automated and in each case incorporates unique patented or trade-secret governed designs to set Ansell apart from all competitors (see the picture on the front page of this report).

Valued Brands and Global Markets

On the commercial side we invested in dramatically improved sales coverage worldwide and especially in emerging markets where we increased fourfold our sales forces in Brazil, China, India and Mexico. Worldwide, we supported the new service and delivery capabilities with our globalised Guardian® branded safety audit program and patented it, making it easier to use. The program accounts for the majority of new customer conversions globally. More recently we began launching web-stores to educate and service customers directly.

On the marketing side we set out to simplify the product ranges, to eliminate 90% of the 250 brands and consolidate to 10 or so mega-brands, all while onboarding 50 new brands from 14 acquisitions. We provide products to businesses where wearing the right brand is the difference between being protected from injury or not. We have several of the largest and best known brands in the industry.

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ESG and Sustainability

We are making a concerted effort to lead our industry in socially responsible environmental, social and governance practices. Ansell has proudly achieved a strong safety record, and we continue to build on it. We are, after all, a safety company and practice what we advocate and sell – safety. We have advanced our labour practices, which, while good by industry standards, we will continue to improve. Labour rights is a clear dimension for improvement and leadership for Ansell, just as important as many of the challenges I encountered all those years ago.

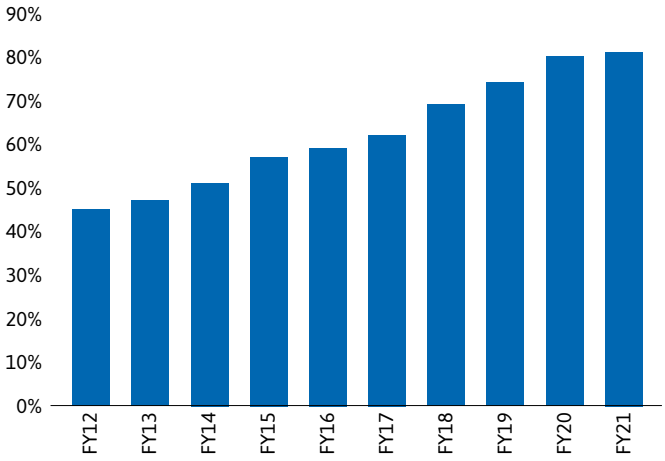
Regarding sustainability, we continue to make progress in reducing greenhouse gas (GHG) emissions, water usage, energy consumption, and we expect to exceed the targets we committed to three years ago. We are re-engineering the value chain, improving our packaging to eliminate mixed materials, improving ease of recycling and developing new materials for gloves that will allow full bio-degradability. We are also re-imagining product end-of-life solutions which will see used gloves either being returned to a raw material state or deployed as additives to other materials, such as cement or asphalt – delivering a second or third use rather than going into landfill.

Focus on Differentiated products and in achieving leadership positions in each segment

To accelerate the consolidation of the industry and our journey to No.1, we pursued acquisitions with clear objectives, underpinned by valuation discipline. We also exited businesses where we concluded that we could not realistically achieve a sustainable leadership position – such as Sexual Wellness, boots, some retail positions and military gloves. These divestitures netted $700 million enabling us to grow the glove and clothing segments. We acquired businesses for $1.2 billion to boost our Mechanical gloves, Chemical, Single Use, Life Sciences and Surgical positions. Through several acquisitions in Body Protection we built our position from sixth in global sales to No.2 now. There were 17 transactions over the years, 14 acquisitions and 3 divestments, which ultimately allowed us to become No.1 or No.2 in each segment and geography.

To accelerate the consolidation of the industry and our journey to No.1, we pursued acquisitions with clear objectives, underpinned by valuation discipline.

Growth Brands as a Percentage of Total Sales



Over time we defined a communication and execution tool that we called the 8 Dimensions of Differentiation for Ansell (refer diagram on page 18). This is our way of guiding our investments toward the most important areas to further differentiate Ansell from all competitors and deliver more value to customers. At the core of this sit our team and the passion they have for delivering improved safety to our customers.

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Then COVID-19 Hit

All companies are a 'work in progress'. However, it is fair to say that when COVID-19 hit, Ansell had progressed over the years to a point where the Company was a specialised global PPE leader 'match fit' to respond to the extraordinary challenges of such an unprecedented crisis. At the onset in January 2020, we leveraged our understanding of safety and infection prevention and immediately set up our operations to function even with the external threat. This has worked well for the last 18 months and contrary to most of our competitors, we have had very few cases of COVID-19 hot-zones severely impacting our operations.

COVID-19 has of course resulted in increased demand for some of our products but also impacted some of our sales negatively as the global economy took a big hit. Overall, we have come through the peak of this stronger than ever before with sales and profitability at all time highs. More importantly, COVID-19 has sensitised the world to safety, to use the right PPE and to the need for clear plans to protect workers. Ansell is ideally positioned to help guide and service these needs for many years to come.

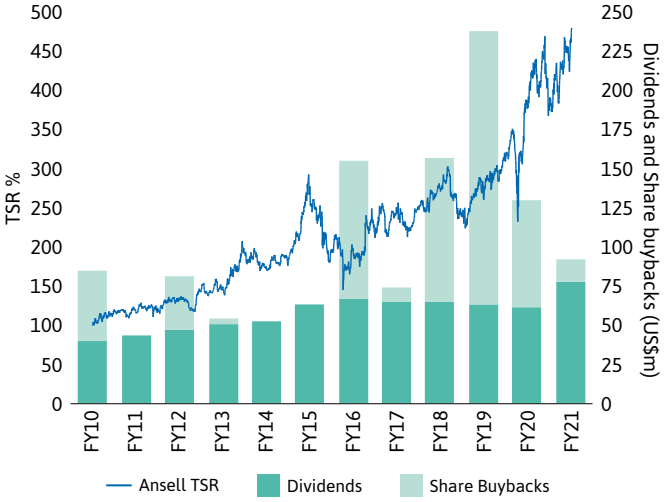
What's Ahead?

We are now at a position where we have clear strengths and capabilities: we have market leading innovation, the best manufacturing technologies, top global brands, a market leading 800 strong global sales force, software driven sales tools, the most complete product ranges in hand and body protection and finally, a very strong balance sheet. Taken together, they give Ansell unparalleled opportunities to lead in some fascinating new product and customer value platforms, for example:

- Our broad range of Surgical gloves and innovative pre-double gloved solutions is unique in the industry and being supported by a highly cost competitive manufacturing base, close partnerships with top distributors and a strong end user following, we expect to continue to lead this segment globally.
- In Chemical Protection our unique integrated offering of hand and body protection products provides protection against millions of chemical combinations while our AnsellGUARDIAN® analytical tools allow us to provide the right protection for every chemical risk imaginable.
- Our single use gloves feature proprietary technologies, unique polymer formulations and differentiated layering capabilities, providing unprecedented protection for healthcare, industrial and Life Sciences applications.
- In new technologies, we are developing smart gloves with sensors that will effectively warn the user about potential hazard exposure or the risk of chemical permeation to a glove or suit. This enables PPE to go well beyond its traditional passive protection role.
- Then there's **Inteliforz™**, our new connected workforce Software as a Service (SaaS) platform, enabling workers and Safety Managers to identify and address 'at risk' workplace safety behaviours with measurable data and insights, helping to reduce risky behaviors and injuries such as work-related Musculoskeletal disorders (MSDs).

In conclusion, while we have come a long way, the capabilities we have built present even more opportunities to grow now than what we saw in 2010. Over 11 years, Ansell has doubled in size and capability and delivered +15% TSR CAGR – effectively quadrupling a $ invested in 2010. We have also returned more than $1.2 billion to shareholders over that period through dividends and share buybacks. We now stand ready to accelerate further.

Delivered strong returns to shareholders



Total Shareholder Return (TSR) – As at 30 June 2021. Assumes 100% dividend reinvestment on the ex-dividend date and where dividends are paid in US$, converted to A$ using the spot rate.

This will be the mission for Neil Salmon, as my successor, and the very strong management team and talented workforce we have at Ansell today. I would like to thank first of all my colleagues all over Ansell for their passion and hard work in building this great company, I thank John Bevan, our Chairman and the Board for supporting the bold expansion of Ansell, and finally, I want to thank our customers and suppliers as well as you, the shareholder, for your steadfast support.

Magnus Nicolin
Managing Director and Chief Executive Officer

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Strategy

Ansell has global market-leading positions in single and multi-use hand protection products for industrial and medical applications. We also have fast-growing positions in industrial Chemical Protective Clothing products and safety solutions for surgical operating theatre and clean room laboratory environments. Overall, our product range is well balanced between end markets that are driven by cyclical economic demands and those that are considered more counter cyclical.

Regulatory and societal pressures that seek to improve safety outcomes for workers around the globe are continuing to outpace general economic activity. This provides a robust platform for growth in demand for our products. Whether in healthcare or industrial environments, regulatory requirements and improving standards globally continue to help drive demand for safety solutions.

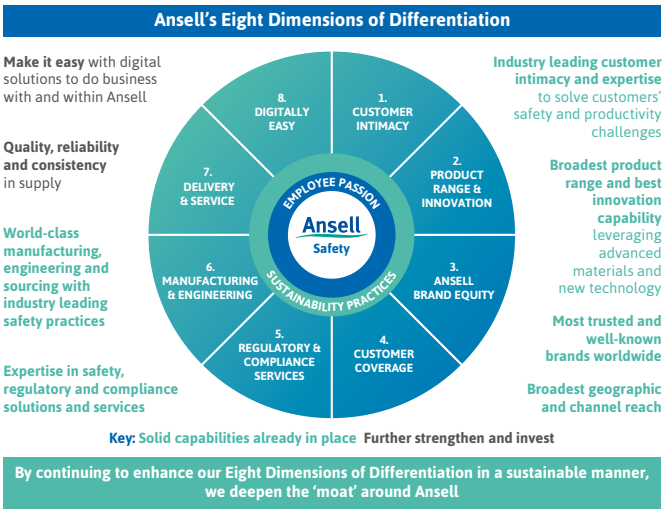
Furthermore, COVID-19 has driven increased demand for several products as a result of greater focus on PPE from both existing and new end users to assist with infection prevention and control.

Ansell's continued ability to build and maintain its leading positions in the markets in which it operates arises from a number of strengths:

- Foremost, there is the breadth and performance of our unmatched product range commercialised under well differentiated global brands. Through our focus on R&D and innovation, we created many of these product categories and continue to lead the industry in product performance.
- Our unique material science capability allows us to satisfy protection needs with products that are comfortable to use and enhance worker productivity. Many of these capabilities are patent protected. For example, some products maximise protection while also reducing the risk of skin irritation and allergic reaction. Our commitment to maintaining optimum comfort and dexterity means that many products are unique in their field in having ergonomic certification. We also lead our industry in providing high cut protection from lightweight yarns.
- We have invested over many years in our patented AnsellGUARDIAN® technology (tools that provide comprehensive advice to end users on the right products to use for optimal safety and productivity), which has enabled us to build strong relationships with our end users and our distribution partners.
- Control over our geographically diverse manufacturing operations which are undergoing capacity expansion to better meet increased demand for our products.
- We are uniquely positioned to provide global solutions as the only industry participant with leading market positions in a number of hand and body protection product ranges in all regions globally.
- Through a disciplined acquisition strategy, we have:
  - strengthened our core market positions;
  - increased our ability to lead in material science; and
  - added near adjacent product portfolios, which we are demonstrating that we can grow rapidly on a global basis.

Eight Dimensions of Differentiation

Ansell's sources of competitive advantage can be summarised under eight dimensions of differentiation. At Ansell, we believe that our differentiation across all eight dimensions is unique in our industry and sets us apart from all competitors. We have continued to build upon and strengthen our eight dimensions of differentiation.



Business Priorities

Our business priorities for FY21 were focussed on delivering profitable growth whilst ensuring operational excellence and maintaining a high performance organisation. Our key objectives included:

- Maintain agility in a COVID-19 environment which resulted in higher degrees of uncertainties and complexities, particularly from a pricing and supply chain perspective.
- Expand in areas which benefit from increased attention on infection prevention and control.
- Continue to focus on new product development.
- Invest in Sales Excellence and further develop our digital capabilities to support our customers and partners.
- Grow our emerging market footprint.
- Complete our large capacity investments to support increased demand.
- Increase productivity within our manufacturing operations, while maintaining safety standards of our operations.
- Improve service and quality metrics to ensure Ansell is the leading company globally on these criteria.
- Implementing 'Back to Better' ways of working from an employee perspective.
- Further advance our work in relation to Sustainability, including our continued alignment to the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations outlined on page 33.
- Strategic and disciplined acquisition evaluation.

Our progress on these goals are detailed in our performance on pages 21 to 27.

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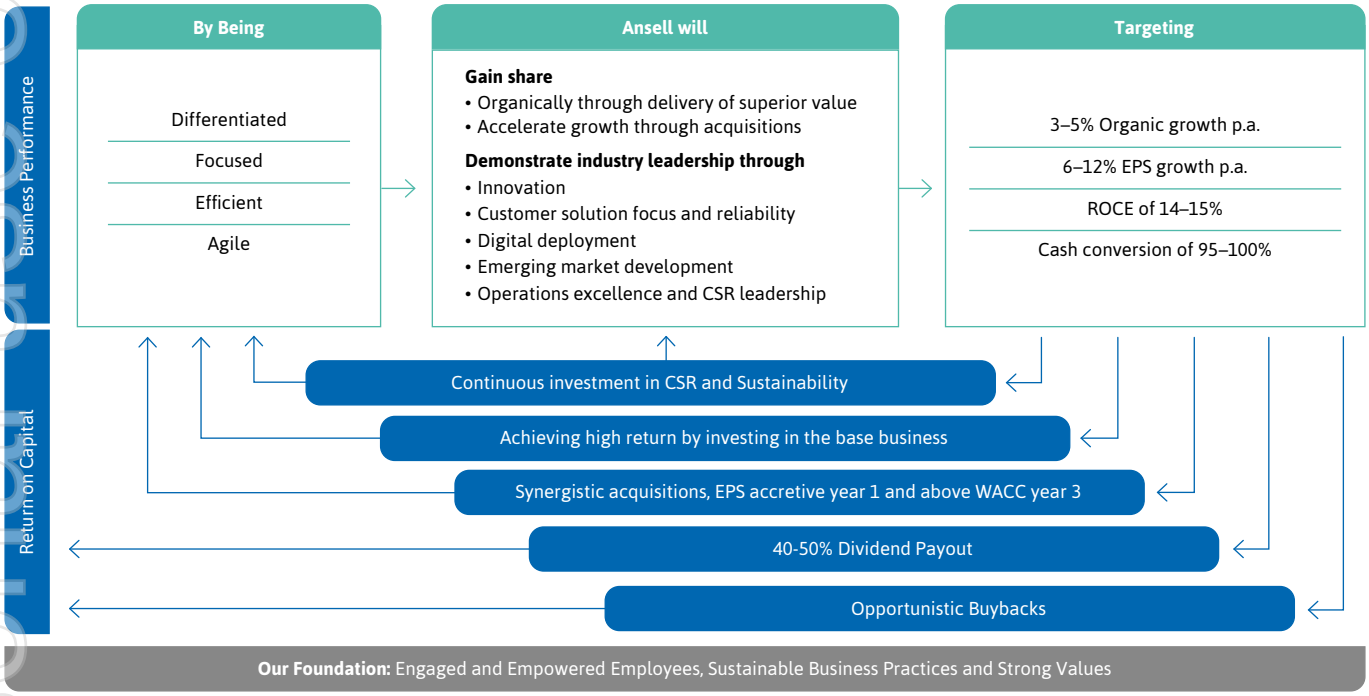
Shareholder Value Creation Model

At Ansell, we strive to be focused, efficient and agile in executing our differentiated business proposition. By consistently delivering on our promises, we aim to gain market share and grow profitability, which in turn will improve shareholder value.

Our shareholder value creation model to which we committed to at our October 2020 Capital Markets Day is summarised below and has been modified to include the revised dividend policy announced to the market in February 2021.



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Outlook

It is likely that COVID-19 will continue to feature throughout FY22 but the impacts will depend on vaccination rates and virus mutations.

From a demand perspective, Ansell has a diversified portfolio with products supplying a variety of end markets and geographies. We expect to see continued demand for Mechanical, Surgical, Life Sciences products and our internally manufactured Single Use gloves. However, lower demand is expected in areas which benefited most from the onset of COVID-19 i.e. Chemical Body Protection and undifferentiated Exam/Single Use gloves. Pricing is expected to feature throughout FY22, positively and negatively.

From a supply perspective, recent capacity investments should support sustained demand. However, increased COVID-19 cases in South East Asia in the recent months may disrupt supply. A number of our factories and suppliers in the region have had short term closures or reduced operations. This may impact our sales during FY22 H1. Increased freight costs and shipping delays are also expected to persist throughout FY22.

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Performance

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Financial Reporting Presentation

Ansell is a US$ reporting entity with a majority of its commercial operations transacting in US$. However, Ansell also has material non-US$ transactions due to its multinational footprint.

While the Group maintains a near-term foreign exchange hedging program, it is not immune to exchange rate impacts on its results, particularly via translation effects. As a result, the Group also provides constant currency financial information so that foreign exchange translation impacts are excluded.

In determining the rate of organic growth, the Group reports its year over year growth after normalising results for constant currency impacts and also for the effect of acquisitions, divestments and exited products.

Income Statement

Year ended 30 June	2020^ Restated	2021	Growth %	Constant Currency Growth %
Sales	**$1,613.7m**	**$2,026.9m**	**25.6%**	**22.5%**
GPADE[1]	$556.3m	**$723.6m**	30.1%	26.3%
GPADE margin	34.5%	**35.7%**		
SG&A	($339.6m)	**($393.7m)**	15.9%	12.2%
% to sales	**21.0%**	**19.4%**		
Share of profits from Careplus joint venture	-	**$8.1m**		
EBIT	**$216.7m**	**$338.0m**	**56.0%**	**51.4%**
% to sales	**13.4%**	**16.7%**		
Net Interest	($17.4m)	**($19.9m)**	14.4%	11.8%
Taxes	($41.3m)	**($69.8m)**	69.0%	82.8%
Minority Interests	($1.4m)	**($1.6m)**	14.3%	14.3%
Profit Attributable	**$156.6m**	**$246.7m**	**57.5%**	**48.5%**
EPS	**120.2¢**	**192.2¢**	**59.9%**	**50.8%**
Dividend	**50.00¢**	**76.80¢**	**53.6%**	

^ 2020 has been restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements.

1. GPADE means Gross Profit after distribution expenses. Gross Profit means sales less cost of goods sold.

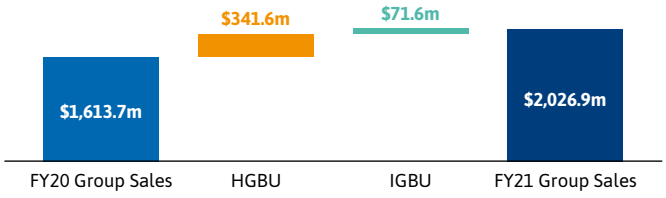
Group Sales

Ansell delivered record sales in FY21 of $2,026.9m, representing organic growth of 22.5%. Price growth was due to pricing initiatives and pass through of cost increases. Volume growth was positive outside of the Exam/Single Use business unit and especially in areas where capacity investments have come on-line. Supply constraints due to ocean freight capacity and lockdowns in South East Asia have tempered volume growth.

The Healthcare GBU (HGBU) business achieved 34.8% organic growth as a result of strong volume growth for Surgical and Life Sciences. Price/mix impact was even stronger mainly due to the effective pass through of cost increases in Exam/Single Use and Life Sciences and pricing initiatives.

The Industrial GBU (IGBU) business experienced organic growth of 7.1%. Its diversified portfolio mix served it well. Chemical Body Protection achieved strong growth throughout the year whilst Chemical Gloves and Mechanical saw a stronger recovery in the second half as they benefited from the global economic recovery.

FY20 to FY21 Group Sales Bridge

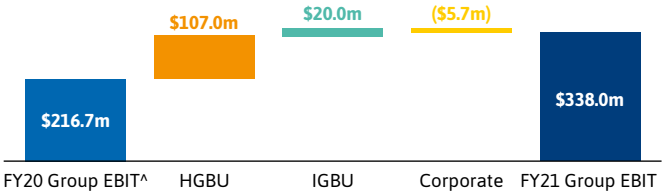


Group EBIT

Ansell's EBIT for FY21 was $338.0m, which includes $8.1m share of profits from the Careplus joint venture (equity accounted).

EBIT on a reported basis was 56.0% higher than the prior year and margins improved 330bps to 16.7%. This was due to the favourable impact from stronger sales and higher production volumes combined with manufacturing efficiencies and SG&A operating leverage. These positive movements were partially offset by increased costs for labour and freight and greater inventory provisions.

FY20 to FY21 Group EBIT Bridge



^ FY20 has been restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements.

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Net Interest Expense

Net interest expense increased by $2.5m, mainly due to less interest income as a result of reduced cash balances and lower rates compared with the prior year.

Tax Expense

The effective tax rate of 22.5% is closer to the long-term average for the Group. This is higher than 20.9% reported in FY20, mainly due to higher Australian revenue losses that have not been recognised at this time

Group Statement of Financial Position

As at 30 June	2020^ Restated	2021	$ Change	% Change
Inventories	$340.1m	**$611.2m**	$271.1m	79.7%
Trade receivables	$173.4m	**$265.5m**	$92.1m	53.1%
Trade payables	($220.1m)	**($357.4m)**	($137.3m)	62.4%
Net working capital	**$293.4m**	**$519.3m**	**$225.9m**	**77.0%**
Property, plant and equipment	$251.5m	**$294.9m**	$43.4m	17.3%
Careplus joint venture (equity accounted)	$8.9m	**$18.9m**	$10.0m	112.4%
Intangible assets	$1,054.9m	**$1,077.1m**	$22.2m	2.1%
Other	($41.5m)	**($65.7m)**	($24.2m)	58.3%
Capital employed	**$1,567.2m**	**$1,844.5m**	**$277.3m**	**17.7%**
Net debt	**($171.4m)**	**($279.9m)**	**($108.5m)**	**63.3%**
Total equity	**$1,395.8m**	**$1,564.6m**	**$168.8m**	**12.1%**

^ 2020 has been restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements.

Ansell increased capital employed by $277.3m in FY21 mainly because of an investment in working capital and in manufacturing to meet short term and longer term demand, as discussed below. In addition, Ansell made a further investment of $1.7m in the Careplus joint venture (equity accounted) to assist with its capital expansion plans and a $5.6m acquisition of the Primus brand to further grow our Life Sciences presence in India. The additional capital employed helped Ansell to deliver on its record performance for FY21 and was partially funded by net debt which increased by $108.5m.

Working Capital

The increase in inventories was driven by higher pricing combined with a proactive decision to build up inventories to support demand in the event of any supply chain shocks. This places the Group in a good position to execute on its strategy for FY22. Inventory turns showed good momentum in the first half however this tapered off towards the end of the year due to elevated inventory levels.

Achieving record sales has had a direct impact on the level of trade receivables. Throughout FY21, the Group maintained a diligent and thorough review process to ensure that increased limits and exposures were provided to financially secure customers. Cash collection remained strong throughout the year, with continuous improvement over the last quarter. The trade receivables ageing profile remained largely consistent with that of last year.

Exam/Single Use products, which are predominantly outsourced, experienced significant cost increases throughout FY21. These increases in conjunction with increased freight costs and shipping delays incurred in the second half, resulted in a large increase in trade payables partially offset by shorter payment terms to selected suppliers upon their request.

Capital Investment Projects

During FY21, the Group continued to focus on strategy execution through a number of growth/expansion, production automation and profit improvement projects. Major investments included:

- Expansion of our Lat Krabang facility in Thailand for TouchNTuff® branded single use products (three lines live with additional capacity planned for FY22);
- Chemical Body Protection investment in Sri Lanka;
- Additional dipping lines to support our differentiated AlphaTec® multi-hazard chemical glove portfolio and related innovation platforms;
- Surgical line investments in Sri Lanka and Malaysia for our GAMMEX® and ENCORE® brands;
- Electrical protection gloves production expansion in Malaysia; and
- Investment to grow capacity of HyFlex® in Portugal and ActivArmr® in Russia, providing made in Europe products.

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Careplus Joint Venture

Ansell's joint venture investment in Careplus, a Malaysian surgical and single use glove manufacturer, served the Group well in FY21 providing access to a significant existing source of supply to meet increased demand. This directly translated into Ansell's share of profits adding $8.1m to Group EBIT. An additional $1.7m capital injection was made during FY21 in line with the joint venture partners commitment to increasing capacity at the Careplus site in Kuala Lumpur. No dividends were paid during FY21 so as to support the capital needs of Careplus.

Net Debt

Ansell maintained strong liquidity with $464.2m of cash and committed undrawn bank facilities at 30 June 2021. The net debt position continued to be below target leverage with no significant upcoming maturities in the next 12 months.

Group Cash Flow

For the year ended 30 June	2020^ Restated	2021	$ Change	% Change
Net receipts from customers	$320.9m	**$239.8m**	($81.1m)	-25.3%
Net cash provided by operating activities	$286.7m	**$172.8m**	($113.9m)	-39.7%
Net cash used in investing activities	($70.6m)	**($84.7m)**	($14.1m)	20.0%
Net cash used in financing activities	($198.3m)	**($267.5m)**	($69.2m)	34.9%
Net increase/(decrease) in cash and cash equivalents	$17.8m	**($179.4m)**	($197.2m)	-1,108.1%

^ 2020 has been restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements.

Net cash provided by operating activities declined year on year due to lower cash conversion. Cash conversion of 60.9% for FY21 was significantly lower than 117.7% reported in the prior year. This was impacted by increased working capital and the timing of tax payments.

The increase in net cash used in investing activities was driven by higher levels of investment to support our growth/expansion strategy, consisting of capital investment projects, acquisition of the Primus brand and additional equity injection into the Careplus joint venture to meet its capital needs.

Cash used in financing activities also increased in FY21.

This was due to:

(i) additional cash used in the net repayment of borrowings;

(ii) higher dividend payments resulting from a combination of improved earnings and the move from a progressive dividend policy to a dividend payout policy;

(iii) on-market purchases to meet the obligations under equity-based employee long-term incentive programs; and

(iv) purchases of treasury shares of $22.7m.

These increased cash outflows were offset by a significant reduction in share buybacks in FY21.

Healthcare Global Business Unit

The Healthcare GBU manufactures and markets innovative solutions for a wide range of healthcare providers, including hospitals, surgical centers, dental practices, veterinary clinics, first responders, laboratories, life sciences companies and pharmaceutical companies.

The portfolio includes surgical gloves, single use and examination gloves, clean and sterile gloves and garments, and consumables. It also includes single use gloves used by industrial workers in manufacturing, auto repair, chemical, food processing and other industries.

MICROFLEX® TouchNTuff® GAMMEX® SANDEL® ENCORE® BioClean™

TouchNTuff® 92-600 ★

Leading disposable glove for chemical splash protection with proprietary Ansell material formulation

MICROFLEX® LifeStar™ EC ★

Dual layer and dual colour medical exam glove designed to meet the needs of emergency medical professionals and proven to resist fentanyl

GAMMEX® Non Latex PI ★ ●

Polyisoprene, skin-friendly surgical glove with a soft glove formulation delivering extra comfort

BioClean-D™ Drop-down Sterile Garment ★ ⬟

Unique design offering true aseptic donning, with internal colored tabs to indicate safe touch points to prevent touching the outside surface

● New Product Development ★ Capacity Investments ⬟ Post Acquisition Growth

Financial Summary

US$m	2020	2021	Growth %	Constant Currency Growth %
Sales	$894.6m	**$1,236.2m**	38.2%	34.8%
EBIT[1]	$141.8m	**$248.8m**	75.5%	66.1%
% EBIT/Sales	15.9%	**20.1%**		

1. 2021 EBIT includes $8.1m share of profit from the Careplus joint venture (equity accounted).

Sales Performance

FY21 sales were $1,236.2m, representing 38.2% reported growth and 34.8% organic growth. The business saw strong sales growth across all SBUs. Exam/Single Use and Life Sciences experienced a favourable pricing/mix impact whilst Surgical and Life Sciences experienced strong volume growth.

SBU Highlights

Exam/Single Use delivered organic growth of 45.2%. Growth was driven by higher market prices and effective execution of price increases to recover increased costs. Our internally manufactured volumes increased in H2 but overall volumes were constrained by supply disruptions, including COVID-19 driven factory shutdowns of outsourced suppliers and logistic delays as well as normalisation of demand. FY20 H2 volumes were elevated due to the sell-through of inventory that had been built pre COVID-19 to clear customer backorders, which also contributed to a comparative year-over-year volume decline.

Surgical and HSS organic growth was 13.0% due to market share gains as a result of a successful strategy and the product being used outside the surgical setting. FY21 H2 growth was constrained by supply, particularly for synthetics.

Life Sciences achieved organic growth of 35.3% with positive volume and pricing impact. Performance was aided by the global vaccination drive and good traction with strategic global end users.

EBIT Performance

EBIT on a reported basis was 75.5% higher than the prior year and margins improved 420bps to 20.1%. This was due to the favourable impact from stronger sales (predominately pricing and to a lesser extent mix), higher manufacturing volumes driving greater fixed overhead absorption, reduced waste and SG&A operating leverage. The Careplus joint venture's (equity accounted) share of profits contributed $8.1m income. These positive movements were partially offset by increased freight and labour costs.

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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 and gas and first responders.

HyFlex® AlphaTec® ACTIVARMR® EDGE® RINGERS GLOVES

HyFlex® 11-561
The thinnest lightest medium cut style with 2x more durabilty

AlphaTec® 4000
Innovation that brings flame retardant and world renowned chemical protection together to keep workers safe from flash fire hazards in industries with the greatest risk

ActivArmr® Electrical Insulating Gloves Class 0
Ultimate fit, comfort and performance for electrical workers' safety and protection

AlphaTec® 37-310
Food processing gloves offering an engineered fit to allow an optimum balance of fit and flexibility both on its own or as an over glove

● New Product Development ★ Capacity Investments

Financial Summary

US$m	2020	2021	Growth %	Constant Currency Growth %
Sales	$719.1m	**$790.7m**	10.0%	7.1%
EBIT	$92.4m	**$112.4m**	21.6%	20.5%
% EBIT/Sales	12.8%	**14.2%**		

Sales Performance

FY21 sales were $790.7m, representing 10.0% reported growth and 7.1% organic growth. The portfolio saw strong growth from a number of products due to:

(i) increased demand from end users seeking additional protection;

(ii) industry shifts as a result of COVID-19; and

(iii) improving industrial demand stemming from the global economic recovery, particularly in the second half.

SBU Highlights

Mechanical organic growth was 4.0% with second half performance of 9.2% improving on a first half performance of -1.0%. Multi-Purpose and Electrical Protection gloves remained strong whilst HyFlex® Cut gloves saw better performance in the second half.

Chemical experienced 13.0% organic growth with strong growth from Chemical Protective Clothing supported by recent capacity investments and improving performance from Chemical gloves due to the industrial recovery, sustained demand from food industries and hygiene protocols remaining in place at work/home.

EBIT Performance

EBIT on a reported basis increased 21.6% over the prior year and margins improved 140bps to 14.2%. This was due to the favourable impact from stronger sales as a result of volume and price increases, plants running at stronger capacity with high overhead absorption, reduced waste and SG&A operating leverage which more than offset increased freight and labour costs.

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Sustainability

As a manufacturing company, sustainability risks and opportunities arise at multiple points across our value chain, from raw material sourcing and production through to product disposal. This year, we have started to embed sustainability into our approach across the value chain, leveraging the principles in our Responsible and Responsive Strategy.

In FY20, we conducted a thorough assessment of our material sustainability topics. This was followed by a high-level refresh in FY21 to consolidate material topics to reflect the increasingly integrated processes, resulting in minor adjustments to our strategy. Our material topics are outlined below:

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 minimalisation • 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

In this report, we provide an update on some of our most material sustainability topics: health and safety, climate risk, and labour rights. Information on our progress and plans across our full suite of material topics can be found in our Sustainability Report, to be released in September 2021.

Sustainability is embedded within the organisation and is not a standalone function. Ansell's Board oversees our approach to sustainability, supported primarily by the Sustainability and Risk Committee (SRC) and the Audit and Compliance Committee. The SRC is supported by our executive-level Sustainability Council (the 'Council'). In FY21, we re-structured the Council to be a core group of ELT members, who are directly responsible for the development and operational implementation of Ansell's strategic approach. We also reviewed the function of our Sustainability Governance structure to represent how we execute our sustainability strategy – across our people, our products and our operations. Our Governance Structure is represented by four workstreams: People, Operational Footprint, Product, and Sustainability Communications and Training which represent the major components of our sustainability focus, and how we communicate the value of our work on sustainability to our employees, customers, investors and other stakeholders. Each workstream has an executive sponsor to further drive accountability and oversight on monitoring and strategic implementation of our sustainability programs.

In FY21, we have seen an acceleration in stakeholders' interest in sustainability, with amplified focus on the importance of our program of work across several impact areas, especially health and safety, climate risk and labour rights. We have also continued to take significant steps towards employee engagement and diversity, community engagement, water consumption and waste generation, and reducing the environmental footprint of our products. Furthermore, we have commenced work to develop a roadmap to Net Zero emissions.

Health and safety

FY21 Focus Areas	
Sustain the lowest injury rates in the industry	This year, Ansell's lost time injury frequency (LTI) was 0.060. Our LTI rate decreased by 25%, and this is primarily attributable to our increased focus on high-risk tasks, incident investigations, and 'Gemba Walks' along with the six-point increase in our near miss frequency rate.
Maintaining and reinforcing existing COVID-19 Safety Practices	The pandemic continues to heighten in areas of our operations. At our sites, we deploy comprehensive COVID-19 safety practices and monitor country-level risks and activities.
Enhancing safety culture at Ansell towards a leadership culture	Extending ownership of health and safety beyond Global EHS team to site leadership teams and other site employees.

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In June 2021, 3,300 workers at our Sri Lanka plants received vaccinations.

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 $MTCO_2e$ from our greenhouse gas (GHG) inventory.

Safety is core to the products that we sell and to the way that we operate. Our approach to health and safety is guided by our 5-Point Safety Charter (the 'Charter'), supporting environment, health and safety (EHS) policies, and the US Occupational Safety and Health Administration (OSHA) standards. Ansell's 'Core Standards' establish the framework of our EHS management system and cover all employees and contractors.

This year we emphasised core responsibility of the site leadership teams to minimise and prevent injuries, and extended accountability 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.

A focus this year has also been on our top ten high-risk tasks (HRTs) and broadening their associated standard operating procedures to include required health and safety competencies. We require a minimum number of Subject Matter Experts for each HRT and everyone engaging with a HRT requires a minimum set of competencies. Evaluating these human factors alongside implementation of Ansell's global standards will help to strengthen accountability culture towards health and safety. This is driven by communicating the active management role of our site leadership teams in implementing High Risk Tasks Standard Operating Procedures.

EHS dashboards are reviewed monthly by the Operational Leadership Team, and ultimately by the ELT and the Board every quarter. This year, we have also increased the level of details reported on the EHS dashboards. For example, sites now report the levels of employee engagement, leadership commitment to the global health and safety standards, and the implementation of the standards.

We also increased the range of audit actions conducted by Ansell's Global EHS team to include focus groups and discussions with General Managers and the site leadership teams to assess the application of the newly introduced Standard Operating Procedures on High Risk Tasks, and identify areas for improvements.

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 checks, alongside guidance on how to protect themselves and their families. We also established a 'Cluster Buster' strategy to identify any outbreak or cluster early to facilitate effective intervention to contain it. We divide our employees into separate zones and shifts; conduct frequent testing, with the consent of our employees; and closely follow the recommended safety measures from the World Health Organisation (WHO) and local governments to promptly update our measures, all of which have helped us to keep our people safe and contain outbreaks.

Ansell rented a dedicated government-approved interim care facility for colleagues in Sri Lanka who tested positive for COVID-19, at a time when Government-owned and private facilities were overstretched. Employees who tested positive volunteered to self-isolate at a private care centre, while their close contacts were quarantined at home. We are continuing to monitor this evolving situation to provide employees with a safe work environment during the pandemic.

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. From Mexico to Malaysia, Ansell has been successful in securing vaccines for employees who wish to be vaccinated. In June 2021, 3,300 workers at our Sri Lanka plants received vaccinations.

FY21 Health and safety performance

Metric (per 100 employees per year)	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**
Lost time injury frequency	0.047	0.063	0.046	0.081	**0.060**

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. 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. Figures are calculated based on a rolling 12-month average headcount.

* Our days lost frequency (per 100 employees per year) decreased in FY21. This is primarily attributable to our increased focus on HRTs, incident investigations, and 'Gemba Walks' along with the six-point increase in our near miss frequency rate.

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Labour Rights and Modern Slavery

FY21 Focus Areas	
Supplier engagement and overall supplier management and monitoring	• We engaged an independent third-party advisor to support the development of a Supplier Management Framework which sets out our updated approach to identify, assess, and address labour rights risks across our supply chain.
External collaborations with subject matter experts	• We have increased our focus on collaboration, with the view that many of the labour and human rights challenges facing the industry and supply cannot be solved in isolation. Cross-industry partnerships are also valuable platforms to share knowledge and best practices to develop remediation programs and meaningful solutions. We also believe that working together with subject matter experts enables us to drive continued improvements, such as our Supplier Management Framework (as noted above).
Remediation program	• Ansell completed remediation of recruitment fees to migrant workers in its employ over two payment periods – September 2020 and January 2021. • 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.
Independent third-party audits of our own operations (SMETA standards)	• Completed initial third-party Sedex Members Ethical Trade Audits (SMETA) audits of our manufacturing plants in Portugal and Brazil in FY21. Due to pandemic-related delays, our Lithuanian plant was only audited in July 2021. We also successfully completed annual audits at all our Asian plants by June 2021.
Forced labour allegations in the industry and supply chain in Asian regions	• We continue to closely monitor performance of our suppliers through engagement with senior management and use of third-party audits, to confirm their actions to mitigate any non-compliances and evolve their own labour practices. • Our practice is to work with suppliers to drive improved performance, provide securing employment and improved conditions for the workers in our supply chain. However, our policy is to terminate suppliers where we don't see significant commitment to improvement.

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 includes the Global Code of Conduct, Labour Standards Policy, Human Rights Statement, and Supplier Code of Conduct. We are also committed to transparent and annual updates on our modern slavery and labour rights management via our Sustainability Report and Modern Slavery Statement, prepared in accordance with the Australian *Modern Slavery Act 2018*.

Sustainability is the core focus area for our Executive Leadership Team (ELT): 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 our supply chains and our Senior Vice President, Corporate General Counsel coordinates the strategic management and prioritisation of the organisation's activities and initiatives. The Board, SRC and ELT continue to receive regular updates on performance against our labour standards at our plants and within our supply chain.

Protecting people: labour rights commitments

Ansell continues to deploy a structured approach to standardise and monitor 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 the values of trust, respect and open dialogue, and to promote positive and transparent employee-worker relations.

We conduct annual internal reviews and audits to identify our gaps and improve our operations. Our sites are internally reviewed and audited, as well as independently audited via third-party SMETA audits. We completed initial third-party SMETA audits of our manufacturing plants in Portugal, Lithuania and Brazil, and successfully completed annual audits at all our Asian plants. Our new Russian factory began operations in June 2021 and our labour standards management system has been implemented at the site. As we continue to focus our efforts on our commitments to our workers and other stakeholders, we are cognisant of the differences between local laws amongst countries and the international best practices.

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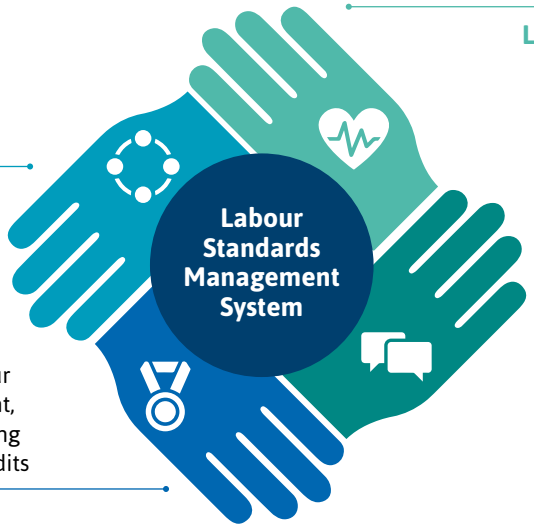
Continuous Improvement

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

Monitoring Performance

Using our CSR Workplace Impact Assessment Tracker to closely monitor our metrics – including work hours, headcount, grievances raised and resolved. Conducting internal audits and third-party SMETA audits



Labour Standards and Commitments

Promoting positive and transparent employee-worker relations through our management system and upholding culture based on the values of 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

Recognising the scale of the challenges, we continue to invest significantly in our labour rights program, developing a standardised, risk-based approach to labour rights risk management in our supply chain and remediating recruitment fees paid by workers in our own operations. These efforts to systematise and strengthen our controls are part of our longer-term strategy to effectively manage labour rights risks and to transition towards leading practice.

Completion of migrant worker Reimbursement Program

Ansell enforces our Zero Recruitment Fee Policy, based on a commitment to uphold ethical recruitment practices for our migrant workers and to ensure all our employees, including migrant workers, do not pay recruitment fees or other costs related to their employment. In FY20, Ansell initiated a reimbursement program for our migrant workers who had paid recruitment fees to agents in their home country. Ansell completed remediation to affected workers in two payment periods – September 2020 and January 2021.

In order to ensure the veracity of our reimbursement program, we consulted affected workers and recruitment agents; and partnered with a third-party NGO (Our Journey) and government representatives of the home countries (through High Commissions/Embassies/Consulates) to ensure that Ansell's foreign worker reimbursement initiative was conducted in an ethical, fair and transparent manner. Full details of the process undertaken are disclosed in our FY20 Sustainability Report.

Protecting people: supply chain

Concerning reports have emerged in the media regarding the treatment of workers in our industry and supply chain in Asian regions, including allegations of forced labour findings leading to import bans, high recruitment fees, poor measures for workers' safety against COVID-19, reliability of third-party ethical audits, and provision of sub-standard accommodation. We continue to implement and enhance our due diligence process to mitigate and monitor risks of modern slavery in our supply chain. Prospective suppliers are required to complete a supplier evaluation that 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. Ansell's suppliers are contractually required to comply with standards detailed in our Supplier Code of Conduct. We also closely monitor the performance and remediation actions of critical suppliers, based on risk factors, through regular discussion and independent third-party SMETA audits. 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.

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

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 where 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.

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.

We know that communication and collaboration are vital to sustainable improvement, therefore we conduct regular communication with critical suppliers on issues including labour rights risks.

We engaged a third-party advisor to support the development of a Supplier Management Framework which sets out our updated approach to identify, assess and address labour rights risks across our supply chain. The framework will be rolled out in three waves, beginning in FY22.

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An independent review of our program in 2020 identified an opportunity to improve our approach to supply chain labour risk management through the implementation of a holistic, risk-based approach that captures the breadth of our sourcing activity. 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 an 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.

Protecting people: industry-wide commitments

We have also increased our focus on collaboration, with the view that many of the challenges facing the industry and supply cannot be solved in isolation. We are actively investing in partnerships across the following areas:

Ethical Trade Initiative (ETI) – 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 NGOs 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 industry peers to identify, prevent and remediate forced labor 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.

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Climate risk

As a leader in our industry, Ansell recognises its obligation to operate more efficiently, protecting resources and communities through strategic environmental management.

In FY19, Ansell's Board made the strategic decision to identify, manage and disclose climate-related risks in alignment with the recommendations of TCFD. Our approach to climate change is overseen at a Board level by the SRC and the Audit and Compliance Committee and supported by management across our business. Further details on the governance of climate-related issues as part of Ansell's sustainability governance can be found on page 28.

In FY21, we completed a corporate-level qualitative climate change scenario analysis to explore the strategic and operational risks alongside opportunities presented by climate change across our value chain. This analysis included assessing physical and transition risks and opportunities under high, moderate, and low emissions scenarios.[1]

Consideration of climate-related impacts has been incorporated into Ansell's multi-disciplinary enterprise risk management process, which provides a framework for prioritising climate impacts and other emerging risks based on consideration of the likelihood and impact of potential risks and opportunities.

Based on the results of the qualitative analysis, we have commenced work to quantify the potential financial impacts of the priority risks and opportunities, shown in the table below. This comprises physical impacts identified under the High Emissions Scenario, as physical risks are most extreme under this scenario, and transition impacts under the Low Emissions Scenario, to test resilience under an extreme transition scenario.

Scenario	Priority risks and opportunities	Impact examples
Physical risks and opportunities under a **High Emissions Scenario**	**Risks:** • Increase in frequency and severity of droughts • Increase in frequency and severity of storms and cyclones • Increase in frequency and severity of flood events **Opportunities:** • Increased demand for personal protection products	• Disruption to upstream suppliers/ raw materials, manufacturing sites, and downstream warehousing and distribution
Transition risks and opportunities under a **Low Emissions Scenario**	**Risks:** • Increased climate-related regulatory requirements set by governments • Increased stakeholder expectations in relation to climate mitigation efforts, resulting in reputational damage if Ansell does not meet stakeholder expectations • Introduction of carbon pricing • Increased demand for low-carbon products to reduce emissions resulting in loss of competitive advantage if Ansell fails to take action **Opportunities:** • Increased demand for low-carbon products to reduce emissions resulting in increased revenue through pricing premiums/rising demand • Improvement in resource recovery and process efficiency	• Operational and capital expenditure • Shifts in consumer preferences and market demand

Further details on our climate-related risks and opportunities, assessment methodology, and how we are responding to capture the opportunities and manage the risks will be disclosed in Ansell's 2021 Sustainability Report to be released to the ASX in September 2021.

Progress to date	Next steps
• Participated in the Carbon Disclosure Project (CDP) climate and water environmental stewardship assessment process (since FY18). • Registered as a supporter of the Recommendations of the TCFD (FY19). • Incorporated consideration of climate-related risks in Ansell's annual risk management process (FY20). • Undertook qualitative climate change scenario analysis for our largest manufacturing sites in Malaysia and Sri Lanka (FY20). • Completed full value chain qualitative scenario analysis under a low, moderate and high emissions scenario (FY21).	• 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 inform strategic decisions (FY22). • Continued refining of metrics and targets to track and measure our strategic progress (from FY22). • Continued disclosure of climate-related information in our Annual Report, Sustainability Report, and CDP climate and water responses, including the results of the quantitative analysis to keep our investors, consumers, and the wider stakeholders informed (from FY22).

1. The **High Emissions Scenario** considers future global warming of c.4°C+, aligned with IPCC's Representative Concentration Pathway (RCP)8.5, the **Moderate Emissions Scenario** aligns with IPCC's RCP4.5 and the International Energy Agency's (IEA) Stated Policies Scenario, and the **Low Emissions Scenario** aligns with IPCC's RCP2.6 and IEA's Sustainable Development Scenario, where global warming is limited to less than 2°C above pre-industrial levels.

Board of Directors

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John A Bevan

Chairman

BCom (UNSW)

Based in Sydney, Australia

Appointed Non-Executive Director in August 2012, Deputy Chairman in February 2017 and Chairman in November 2019.

Chair of the Governance Committee and member of the Human Resources Committee.

Current Directorships: Chairman of BlueScope Steel Limited (2014 to present), Non-Executive Director of Humpty Dumpty Foundation (2017 to present) and Alumina Limited (2018 to present).

Former Directorships: Non-Executive Director of Nuplex Industries Limited (2015 – 2016), Executive Director of Alumina Limited (2008 – 2014).

Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited and brings to the Board extensive international business experience. Prior to joining Alumina Limited, he had a long career with the BOC Group Plc, where he was a member of the Board of Directors and held a variety of senior management positions in Australia, Korea, Thailand, Singapore and the UK.

The Board considers John Bevan to be an independent Director.

Magnus R Nicolin

Managing Director and Chief Executive Officer

BA (Stockholm), MBA (Wharton)

Based in Brussels, Belgium

Appointed Managing Director and Chief Executive Officer in March 2010.

Current Directorships: Non-Executive Director of FAM AB.

Prior to joining Ansell, Mr Nicolin, a Swedish citizen, spent three years with Newell Rubbermaid Inc., most recently as President, Europe, Middle East, Africa and Asia Pacific. Prior to that he spent seven years with Esselte Business Systems Inc, where in 2002 he led the leveraged buy-out of Esselte from the Stockholm and London Stock Exchanges. Following the buy-out he became the Chief Executive Officer of Esselte. Mr Nicolin has also held senior management positions with Bayer AG, Pitney Bowes and McKinsey & Company.

As an Executive Director, Magnus Nicolin is not an independent Director.

Marissa T Peterson

Non-Executive Director

BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT)

Based in California, USA

Appointed Non-Executive Director in August 2006.

Member of the Human Resources Committee (Chair until 30 June 2021) and member of the Audit and Compliance Committee.

Current Directorships: Director of Humana Inc. (2008 to present).

Former Directorships: Chair of Oclaro Inc. (2011 to 2018).

Mrs Peterson currently runs Mission Peak Executive Consulting, an executive coaching and consulting firm specialising in helping develop, grow and scale leaders in the high technology space. Mrs Peterson retired from full-time executive roles in 2006, having spent 18 years with Sun Microsystems with an unprecedented legacy of concurrently leading some of Sun's largest and most effective organisations: as Executive Vice President of Services, Executive Vice President of Worldwide Operations, and as Chief Customer Advocate. She has extensive experience in supply chain management, manufacturing and quality, logistics, information technologies, customer advocacy and leadership development.

The Board considers Marissa Peterson to be an independent Director.

Leslie A Desjardins

Non-Executive Director

B. Industrial Admin, Finance (Kettering), MS. Management (MIT)

Based in South Carolina, USA

Appointed Non-Executive Director in November 2015.

Chair of the Audit and Compliance Committee and member of the Sustainability and Risk Committee.

Current Directorships: Non-Executive Director and Audit and Risk Committee Chair of ALS Limited (2019 to present), Non-Executive Director and Audit Committee Chair of Terry Fox Cancer Foundation (2018 to present).

Former Directorships: Director of Aptar Group (2012-2015).

Mrs Desjardins is a former international finance executive with experience in business performance and growth. Mrs Desjardins was formerly the Chief Financial Officer of Amcor Limited. Prior to Amcor, she held executive roles at General Motors Corporation, in Canada, the US and Australia, including Chief Financial Officer GM Holden, Controller for GM North America, and Finance Director for GM's manufacturing facilities in North America. Mrs Desjardins has extensive experience in finance, M&A, strategy, government relations and global operations.

The Board considers Leslie Desjardins to be an independent Director.

W Peter Day

Non-Executive Director

LLB (Hons), MBA (Monash), FCPA, FCA, FAICD

Based in Melbourne, Australia

Appointed Non-Executive Director in August 2007.

Member of the Sustainability and Risk Committee (Chair until 30 June 2021), member of the Audit and Compliance Committee and member of the Governance Committee.

Current Directorships: Chairman of Alumina Limited (2018 to present, Director since 2014), and Chairman of Australian Unity Investment Real Estate Limited (2015 to present).

Former Directorships: Boart Longyear Limited (2014 – 2017), SAI Global Limited (2008 – 2016), Orbital Corporation Limited (2007 – 2014), Centro Retail and Federation Centres (2009 – 2014).

Mr Day was formerly Chief Financial Officer of Amcor Limited for seven years, and Chief Financial Officer and Executive Director Finance of Bonlac Foods Limited. He also has held senior office and executive positions in the Australian Securities and Investments Commission (Deputy Chair), Rio Tinto, CRA and Comalco. He is also involved with disability services and education initiatives. He has a background in finance and general management across diverse and international industries.

The Board considers Peter Day to be an independent Director.

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Christina M Stercken

Non-Executive Director

BEcon & MEcon (Univ. of Bonn), EMBA (Duke)

Based in Munich, Germany

Appointed Non-Executive Director in October 2017.

Member of the Sustainability and Risk Committee (Chair from 1 July 2021) and member of the Audit and Compliance Committee.

Current Directorships: Landis & Gyr Group AG (2017 to present), Myanmar Foundation (Vice Chairman).

Former Directorships: Ascom Holding AG (2014 – 2020).

Mrs Stercken was a partner at Euro Asia Consulting PartG (EAC) until the end of 2017. In this function, Mrs Stercken helped customers in machinery, automotive, chemical, healthcare and infrastructure industries in strategy, M&A and operational excellence in growth markets. Before joining EAC, Mrs Stercken served as Managing Director Corporate Finance M&A of Siemens AG. Among other management positions within Siemens AG, she was responsible for the Siemens Task Force China and Head of Public Sector Business Unit at Siemens Business Services. Mrs Stercken started her career in Marketing at BMW Pty. Ltd, South Africa. Mrs Stercken brings a broad range of competencies relevant to Ansell's strategies, including M&A, broad industry background and business building in developing markets. In her function as Vice Chairman of Myanmar Foundation, Munich, Mrs Stercken supports social projects in Myanmar.

The Board considers Christina Stercken to be an independent Director.

William G Reilly

Non-Executive Director

BA (Fairfield), J.D (Seton Hall)

Based in New Jersey, USA

Appointed Non-Executive Director in October 2017.

Member of the Sustainability and Risk Committee, the Human Resources Committee and the Governance Committee.

Mr Reilly has over 35 years' experience as an in-house lawyer. Mr Reilly was appointed as General Counsel of Ansell Healthcare in 2000 when it was a division of Pacific Dunlop Limited, subsequently becoming General Counsel of Ansell Limited in 2002.

Mr Reilly has served with three Chief Executive Officers and has played pivotal roles leading many of Ansell's corporate strategic and legal initiatives, including M&A, litigation and the successful intellectual property strategy. He has also overseen the Global Compliance and Risk functions, acted as interim head of Human Resources, leader of the Regulatory function and joint Company Secretary. Prior to joining Ansell, Mr Reilly held senior legal positions at C. R. Bard, Inc., The Hertz Corporation and McKesson Corporation. In 2016, Mr Reilly was named on the Financial Times first ever Global GC 30 List.

As a retired executive, William Reilly was not an independent Director during FY20. As of 1 July 2020, the Board considers William Reilly to be an independent Director.

Christine Y Yan

Non-Executive Director

BS (Mech. Eng) (Shandong), MSc, (Mech. Eng) (Wayne State), MBA (Michigan)

Based in Connecticut, USA

Appointed Non-Executive Director in April 2019.

Member of the Audit and Compliance Committee and the Human Resources Committee.

Current Directorships: Non-Executive Director of ON Semiconductor Corporation (2018 to present), Non-Executive Director of Modine Manufacturing Company Inc. (2014 to present) and Non-Executive Director of Cabot Corporation (2019 to present).

Ms Yan is an experienced executive who has had a distinguished career at Stanley Black & Decker. Ms Yan has held senior management positions in both the US and China, including Vice President of Sales and Marketing for North America Automotive, President of the Global Automotive Division, President of Americas for the Engineered Fastening division, President of Stanley Storage and Workspace Systems and more recently, President of Asia and Vice President of Integration. Ms Yan brings a broad range of general management experience across different geographies, as well as experience in innovation, business development, sales, digital transformation and marketing in the business-to-business industry.

The Board considers Christine Yan to be an independent Director.

Nigel D Garrard

Non-Executive Director

BEcon (Adelaide), CA

Based in Melbourne, Australia

Appointed Non-Executive Director in March 2020.

Member of the Human Resources Committee (Chair from 1 July 2021) and member of the Sustainability and Risk Committee.

Current Directorships: Chairman of McMahon Services (2019 to present), Non-Executive Director of Hudson Institute of Medical Research (2016 to present) and CSR Ltd (2020 to present).

Previous Directorships: Managing Director of Orora Limited (2013 – 2019), Managing Director of Amcor Australasia and Packaging Distribution (2009 – 2013), Managing Director of SPC Ardmona Limited (2000 – 2007), Managing Director of Chiquita Brands South Pacific Ltd (1994 – 2000).

Mr Garrard is an experienced executive with a successful track record across FMCG and Industrial/Manufacturing sectors. Mr Garrard has 20 years' experience as an ASX-listed CEO across three companies. In 2019, Mr Garrard retired as Managing Director and CEO of Orora Limited. Mr Garrard led the demerger of Orora from Amcor, and subsequent listing on the ASX in 2013. Mr Garrard was President of the Amcor Australasia and Packaging Distribution business group, Managing Director of Coca-Cola Amatil's Food and Services Division and Managing Director of SPC Ardmona.

Mr Garrard brings broad international experience across listed, not-for-profit, government and private entities.

The Board considers Nigel Garrard to be an independent Director.

Executive Leadership Team

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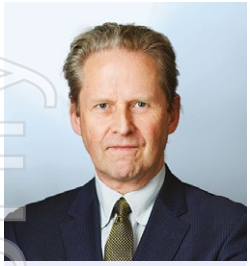

Magnus Nicolin
Managing Director and Chief Executive Officer
BA, MBA
Based in Brussels, Belgium

Zubair Javeed
Chief Financial Officer
BA (Hons), ACMA, AMCT
Based in Brussels, Belgium

Neil Salmon
President, IGBU
BA, ACMA
Based in Brussels, Belgium

Darryl Nazareth
President, HGBU
BS, MS, MBA
Based in New Jersey, USA

Francois le Jeune
Senior Vice President – Business Development, Transformation and Corporate Marketing
MEng, MBA
Based in Brussels, Belgium

Renae Leary
Chief Commercial Officer – Americas
BA, MCom
Based in New Jersey, USA

Rikard Froberg
Chief Commercial Officer – EMEA & APAC
MS, MA
Based in Brussels, Belgium

Michael Gilleece
Corporate General Counsel
BA, JD
Based in New Jersey, USA

Amanda Manzoni
Chief Human Resources Officer
BS
Based in Brussels, Belgium

John Marsden
Senior Vice President – Global Operations and Global Supply Chain
MEng
Based in Cyberjaya, Malaysia

Deanna Johnston
Global Chief Information Officer
BBA
Based in New Jersey, USA

Sean Sweeney
SBU Vice President & GM, IGBU Mechanical Solutions
BA, MT
Based in New Jersey, USA

Paul Bryce
SBU Vice President & GM, IGBU Chemical Solutions
Based in Hull, United Kingdom

Augusto Accorsi
SBU Vice President & GM, HGBU Exam & Single Use
MBA
Based in New Jersey, USA

Angie Phillips
SBU Vice President & GM, HGBU Surgical & HSS
BA, MT
Based in New Jersey, USA

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Report by the Directors

This Report by the Directors of Ansell Limited ('the Company') is made for the year ended 30 June 2021. The information set out below is to be read in conjunction with:

- Operating Financial Review appearing on pages 18 to 27;
- Remuneration Report appearing on pages 49 to 74; and
- Note 21 Related Party Disclosures and Note 23 Ownership-based Remuneration Schemes to the Group's audited Financial Statements accompanying this Report.

Directors and Secretary

The names and details of each person who has been a Director of the Company during or since the end of the financial year are:

- John A Bevan (Chairman)
- Magnus R Nicolin (Managing Director and Chief Executive Officer)
- W Peter Day[1]
- Leslie A Desjardins
- Nigel D Garrard
- Marissa T Peterson[1]
- William G Reilly
- Christina M Stercken
- Christine Y Yan

1. Mr Peter Day and Mrs Marissa Peterson intend to retire from the Board on 11 November 2021.

Particulars of the qualifications, experience and special responsibilities of each Director, as at the date of this Report, and of their other directorships, are set out on pages 34 and 35.

Details of meetings of the Company's Directors (including meetings of Board Committees) and each Director's attendance are set out on page 40.

The Company Secretary is Catherine Stribley, B.Com./LLB (Hons), FGIA and she was appointed as Company Secretary in April 2017. Ms Stribley first joined the Company in 2010 and has held legal positions in both Australia and the US, including Senior Counsel and Senior Counsel, IP. The Company has also appointed Martin Evans ACA, B.Com. as Joint Company Secretary on 5 April 2021 while Ms Stribley is on maternity leave. Mr Evans joined the Company in 1984 and held several senior finance roles most recently as Senior Director Group Accounting and Reporting.

Principal Activities

The principal activities of the Group involve the development, manufacturing and sourcing, distribution and sale of gloves and personal protective equipment in the industrial and healthcare markets. Ansell operates in two main business segments, Industrial and Healthcare.

Board Areas of Focus

This year the Board and its Committees have undertaken key strategic, governance and oversight activities. The key areas of focus for the Board during FY21 were:

- Company strategy & performance
- Board & management succession
- Oversight of capital management initiatives
- Risk management, governance and compliance
- Sustainability & Corporate Social Responsibility

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Operating and Financial Review

The Operating and Financial Review for the Group for the financial year is set out on pages 18 to 27, and forms part of this Report.

State of Affairs

During the year the Group continued to progress the strategies that have been identified to accelerate growth and create increased shareholder value. The Operating and Financial Review provides additional information on the Group's growth strategies. Other than set out in the Operating and Financial Review, no significant changes occurred in the state of affairs of the Group during the financial year.

Likely Developments

Likely developments in the operations of the Group are referred to on page 20. In the opinion of the Directors, the disclosure of any further information about likely developments in the operations of the Group has not been included in the Report because disclosure of this information would likely result in unreasonable prejudice to the Group.

Significant Events Since Balance Date

The Directors are not aware of any significant matters or circumstances that have arisen since the end of the financial year that have affected or may affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Performance in Relation to Environmental Regulations

Group entities are subject to environmental regulations in the jurisdictions in which they operate. The Group has risk management programs in place to address the requirements of the various regulations. From time to time, Group entities receive notices from relevant authorities pursuant to local environmental legislation. Ansell works to evaluate each environmental issue within a framework of optimal management. On receiving such notices, the Group evaluates potential remediation or other options, associated costs relating to the matters raised and, where appropriate, makes provision for such costs. The Directors are not aware of any material breaches of Australian or international environmental regulations during the year.

The Board monitors compliance with the Group's environmental policies and practices and believes that any outstanding environmental issues are well understood and are being actively managed. At the date of this Report, any costs associated with remediation or changes to comply with regulations in the jurisdictions in which Group entities operate are not considered material.

Dividends and Share Issue

The final dividend of US28.25 cents per share (unfranked) in respect of the year ended 30 June 2020 was paid to shareholders on 17 September 2020. An interim dividend of US33.20 cents per share (unfranked) in respect of the half-year ended 31 December 2020 was paid to shareholders on 10 March 2021. A final dividend of US43.60 cents per share (unfranked) in respect of the year ended 30 June 2021 is payable on 16 September 2021 to shareholders registered on 31 August 2021. The financial effect of this dividend has not been brought to account in the Financial Statements for the year ended 30 June 2021 and will be recognised in subsequent financial reports. There are no unissued shares under option at the date of this Report.

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Interests in the Shares of the Company

The relevant interests of each Director in the share capital of the Company, as at the date of this Report, as notified to Australian Securities Exchange (ASX) Limited pursuant to the Listing Rules and Section 205G of the *Corporations Act 2001*, were:

J A Bevan	31,482^
W P Day	30,559^
L A Desjardins	15,412
N D Garrard	7,150^
M R Nicolin	290,766^
M T Peterson	23,647
W G Reilly	51,480
C M Stercken	6,981
C Y Yan	4,207

^ Beneficially held in own name or in the name of a trust, nominee company or private company.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of Board Committees) held during the financial year and the number of meetings attended by each Director.

	Board		Audit and Compliance Committee		Sustainability and Risk Committee		Human Resources Committee		Governance Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J A Bevan	19	19					8	6	5	5
W P Day[1]	19	19	4	4	4	4			5	5
L Desjardins	19	19	4	4	4	4				
N D Garrard[2]	19	19			4	4	8	8		
M T Peterson[2]	19	19	4	4			8	8		
W G Reilly	19	19			4	4	8	8	5	4
C M Stercken[1]	19	19	4	4	4	4				
C Y Yan	19	18	4	4			8	8	5	5
M R Nicolin	19	19								

Held – Indicates the number of meetings held while each Director was a member of the Board or Committee.

Attended – Indicates the number of meetings attended during the period that each Director was a member of the Board or Committee.

1. Effective 1 July 2021 Mr Peter Day stepped down as Chair of the Sustainability and Risk Committee and Mrs Christina Stercken assumed the role.
2. Effective 1 July 2021 Mrs Marissa Peterson stepped down as Chair of the Human Resources Committee and Mr Nigel Garrard assumed the role.

Indemnity

Upon their appointment to the Board, each Director enters into a Deed of Access, Indemnity and Insurance with the Group. These Deeds provide for indemnification of the Directors to the maximum extent permitted under law. They do not indemnify for any liability involving a lack of good faith. No Director or officer of the Group has received the benefit of an indemnity from the Group during or since the end of the 2021 fiscal year. Rule 61 of Ansell's Constitution also provides an indemnity in favour of officers (including the Directors, Company Secretary and Joint Company Secretary) of the Group against liabilities incurred while acting as such officers to the extent permitted by law. In accordance with the powers set out in the Constitution, the Group maintains a Directors' and Officers' insurance policy. Due to confidentiality obligations and undertakings of the policy, no further details in respect of the premium or the policy can be disclosed.

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Corporate Governance

Ansell is committed to effective corporate governance. By putting in place the right governance framework, the Board and management have set a culture of integrity, transparency and accountability that permeates throughout the Company.

Ansell's Corporate Governance Statement

A detailed statement outlining Ansell's principal corporate governance practices in place during the financial year ended 30 June 2021 can be found at https://www.ansell.com/sv/en/about-us/sustainability/governance. This statement has been approved by the Board.

Governance Structure

The Board's role is to represent the Company's shareholders, taking into consideration the interests and wants of the broad range of Ansell's stakeholders. The Board leads and oversees the management of the Company and is accountable to shareholders for creating and delivering shareholder value.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations. The Board also has four standing committees that assist it in discharging its responsibilities:

- Audit and Compliance Committee
- Sustainability and Risk Committee
- Human Resources Committee
- Governance Committee

Each Committee operates under a specific charter and provides advice to the Board on specific matters within the Committee's remit. The Board also delegates specific functions to ad hoc committees of Directors on an 'as needs' basis. Ansell's Board and Committee Charters can be found on the Ansell website at www.ansell.com.

Specific responsibilities for the day-to-day management and administration of the Company are delegated by the Board to the Managing Director and Chief Executive Officer (CEO), assisted by the Executive Leadership Team (ELT). Ansell's Delegation of Authority Policy sets out the powers that are reserved to the Board and those that are delegated to the CEO.

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Board Composition and Processes

Ansell is committed to ensuring an appropriate mix of skills, expertise, experience and diversity (including gender diversity) on the Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities. Refer to the Board Skills Matrix in Ansell's Corporate Governance Statement 2021.

The Board annually reviews the performance of the Board and each Committee, as well as individual Directors and the Chairman, and requires all Directors (except the Managing Director/CEO) to submit themselves for re-election at least once every three years. The Board will endorse a retiring Director for re-election only where his or her performance over the preceding year meets or exceeds the Board's expectations. It is a general policy that Non-Executive Directors should not serve for a consecutive period exceeding 15 years, and the Chairman should not serve in that role for more than 10 years.

An external review of the Board is also completed every three years. In FY19, the Board engaged a third-party consultant to review the Board and its performance. The review identified areas of opportunity for the Board to sharpen its focus on maximising long-term sustainable economic profit within the confines of our business purpose and consistent with our various obligations to all stakeholders.

As previously announced, the Company has approved a succession plan with respect to the Board that it believes facilitates the optimal injection of new skills and thinking while retaining the wealth of corporate knowledge to support the long-term strategic direction of the Company.

Mrs Marissa Peterson was due to retire at the 2020 Annual General Meeting. However, in light of the uncertainties of current global markets amid the COVID-19 pandemic, and the impending CEO succession, Mrs Peterson agreed to defer her retirement by one year, at the request of the Board.

At this year's Annual General Meeting, Mrs Marissa Peterson and Mr Peter Day intend to retire from the Ansell Board after more than 15 and 14 years service respectively. 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.

Similarly, in June 2020, the Company announced that the planned CEO succession would be deferred for six months in order to mitigate the impacts of COVID-19 on the ability of the Board to assess CEO candidates. 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 Governance Committee will continue to consider the forward skill and experience requirements of the Board within the context of the succession timetable.

The Board sets clear targets for gender representation as part of Ansell's broader commitment to diversity and inclusion. Ansell had committed to have women constituting circa 50% of its Board by 2020 and beyond, acknowledging that this may fluctuate from time to time due to the effect of changes on a small group size. Currently the Board gender balance is 44% female and 56% male.

Refer to Ansell's Corporate Governance Statement 2021 and also to the Sustainability Report which will be released in September 2021 and made available on www.ansell.com for further information on diversity within the Company.

Stakeholder Engagement

Ansell is committed to positive and meaningful stakeholder engagement. Ansell believes that it builds greater trust with stakeholders when the Company is transparent and accountable. Ansell's engagement occurs through a number of channels, including ASX disclosures, Annual General Meetings, Annual Reports, the Ansell website and social media and interactions with investor groups, proxy analysts and regulators.

The Chairman meets proxy advisers and Ansell's largest shareholders twice per year to discuss proposed developments and results.

Following on from Ansell's first Capital Markets Day (CMD) held in Sydney in October 2017, Ansell held its second CMD virtually on 15 October 2020. A recording of this is available on www.ansell.com/us/en/about-us/investor-center. There was also a Q&A session for European/North American investors on 27 October 2020. The forum provides attendees with greater detail in relation to Ansell's business fundamentals, strategic direction and growth plans.

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Corporate Responsibility

Ansell is committed to sound corporate governance to underpin its sustainability practices. Its Core Values, Code of Conduct and related policies constitute the governance framework for its activities, an important part of which are its corporate social responsibility and sustainability activities.

Code of Conduct

The Code of Conduct is Ansell's core policy, serving as a guide to ethical behaviour and business conduct for all employees. It sets out what it means to work for Ansell and the standards expected of all employees.

Whistleblower Policy

The Whistleblower Policy promotes and supports a culture of honest and ethical behaviour. The policy encourages reporting of suspected unethical, illegal, fraudulent or undesirable conduct, and ensures that anyone who makes a report can do so safely, securely and with confidence that they will be protected and supported.

Anti-Bribery and Corruption Policy

The Anti-Bribery & Corruption Policy is designed to bring awareness to all employees, directors, officers, contractors and consultants that certain types of payments may constitute corruption, an illegal benefit or an act of bribery and that any such payments are prohibited. Ansell operates a zero-tolerance policy when it comes to bribery and corruption. Compliance with this policy is foundational to the Company's values and standing in the wider community.

Human Rights Statement

As a responsible corporate citizen, Ansell is committed to operating in accordance with all applicable laws and in accordance with 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. Ansell's Human Rights Statement can be found at www.ansell.com.

Modern Slavery Statement

The Australian *Modern Slavery Act* was passed in December 2018 and Ansell meets the requirements of this Act. Ansell released its first Australian Modern Slavery Statement, in respect to FY20, in November 2020. Ansell's FY20 Modern Slavery Statement can be found at www.ansell.com and the FY21 Modern Slavery Statement is to be released in November 2021.

Risk Management

Ansell recognises that effective risk management and internal controls are an integral part of sound management practice and good corporate governance. Ansell has established controls and procedures that are designed to safeguard the Group's assets and the integrity of its reporting. The Group's internal controls cover accounting, financial reporting, safety, sustainability, fraud, delegation of authority and other control points.

Ansell has also established practices for the oversight and management of key business risks. Ansell recognises that the identification, evaluation and management of risk; and the communication of a well-established risk tolerance guidance in a formal Risk Management Framework is central to achieving the Company's corporate purpose of creating long-term shareholder value.

Further details of Ansell's Risk Management Framework are contained in Ansell's Corporate Governance Statement 2021.

Risk is inherent to our business and the effective management of risk is vital to the growth and success of the Company. We continuously seek to identify, measure and monitor the most material risks across our organisation.

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Material Risks – Description and Mitigation Actions

The following describes the material risks and opportunities that could affect our business and how we seek to manage them. These risks are not listed in any order of significance, nor are they all encompassing. Rather, they reflect the most significant risks identified at a whole-of-entity level through our risk management process.

Risk	Nature of Risk	Mitigation Actions
Global economic, market and political Instability	The Group's presence in over 55 countries globally and its growing presence in emerging markets exposes it to geopolitical risks, regulatory risks and other factors beyond its control. These include political instability and uncertainty, and changes in regulation and legislation such as changes in tariff barriers, trade wars, taxation policies globally and policies to implement or vary sanctions by one country on another. The COVID-19 pandemic heightens economic, social and political instability risks with shortages in PPE driving nationalist policies, and lockdowns creating further shortages and supply chain volatility.	• Whilst our geographic diversification provides overall protection, we continually monitor the Group's exposure to these risks through our local presence. • Careful monitoring and management of customer credit risk. Enhance credit risk management in place in emerging markets. • Using in-house and external local expertise to advise on matters of country risk. • Implementation and use of more tailored contractual arrangements. • Investment in additional capacity for Examination and Single Use products, as well as Body Protection products, to meet the increased demand for PPE as hygiene and safety practices have been expanded as a result of COVID-19. • Rebalanced the proportion of product manufactured in house versus outsourced to protect cost and supply of Examination and Single Use products and to ensure optimal use of manufacturing facilities.
Systems and technology, including cyber security	As a modern business Ansell relies on Information Technology (IT) platforms. Interruption, compromise to or failure of these platforms could affect Ansell's ability to service its customers effectively. The Group is exposed to the risk of network attacks, including the risk of theft of confidential data, fraud committed through cyber means, and has an obligation to adequately protect the data it holds on employees and all stakeholders in compliance with increasingly complex global data protection regulations. The Group is also exposed to the risk of network attacks by malicious outsiders and insiders.	• Modern ERP systems are in place in the largest regions of North America and EMEA. Disaster recovery plans are updated and tested regularly. Roll out of new generation ERP and Supply Chain systems has begun across the Group's manufacturing sites to take advantage of the latest technologies. • The Group has an active cyber risk management program, including conducting tests on the vulnerability of key systems and providing ongoing training to employees on their responsibility for mitigating cyber fraud risk. • The Group has implemented new data protection procedures and ensured compliance with European GPDR and other global regulations.
Product quality	As a manufacturer, quality is paramount to the Group and failures in this area can have a significant negative affect on financial results, customer relationships, reputation and brand credibility.	• Continued investment in quality assurance and governance practices, including systematic quality assurance testing during and after the manufacturing and procurement process. • Manufacturing facilities are externally certified to either ISO 9001 or ISO 14001. • Continual monitoring of quality metrics to monitor and correct defective processes before the product is released to the market. • Management and monitoring of customer feedback.

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Risk	Nature of Risk	Mitigation Actions
Major incident at a significant manufacturing site or warehouse	The Group has several materially sized manufacturing sites and warehouses. These are vital to the business and financial losses from natural disasters and pandemics, civil or labour unrest, terrorism, major fire or other supply disruptions are possible.	• The Group has Business Continuity Plans in place at all manufacturing sites and major warehouses. • Property Damage insurance including business interruption cover is in place, as well as a political violence insurance cover for all manufacturing sites. • The Group monitors its overall exposure to individual sites and seeks to limit its dependence on any one site through dual sourcing strategies. • Regular risk engineering and safety audits are conducted at each of the Group's manufacturing sites and major warehouses. Ongoing safety and fire preparedness reviews are conducted with continual investment in upgraded protection systems. • Duplication of key production lines minimises business interruption risk. • Investment in a new manufacturing facility in Russia and expanding capacity at some of the smaller manufacturing sites.
Loss of a key supplier	Raw materials purchased for manufacturing purposes and finished goods purchased for resale, expose the Group to the risk of the failure of a supplier to perform, leaving it short of a vital ingredient or product.	• Secondary and/or alternate suppliers for key supplies and/or materials. • Rigorous due diligence and contract approval processes to mitigate risks, including continuity of supply. • Continued strategy of vertical integration which reduces dependency on third parties. • Crisis management techniques used to mitigate this risk. • Increased audits and inspections of third-party facilities for compliance with Ansell's standards. Increased focus on sustainability standards of outsourced suppliers. • Financial risks (and liquidity) of suppliers monitored frequently. • Our business partners work with Ansell to provide agreed metrics on their performance.
Disruption in customer service levels as a result of the COVID-19 pandemic	Failure to meet customer needs resulting in loss of business and low customer satisfaction/ confidence levels adversely impacting financial results and brand credibility. COVID-19 demand/ capacity issues across the market lead to some customer dissatisfaction.	• Sound product allocation and customer communication programs in place across the Group. For example: Customer Survey program measuring Net Promoter Score (NPS) against the global manufacturing benchmark to ensure customer satisfaction levels. • Projects in place to address capacity requirements for the short-term and those forecast to be required in 3 to 5 years. • Recommending distributors and governments carry higher levels of inventory to deal with spikes in demand from unexpected events such as pandemics.

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Risk	Nature of Risk	Mitigation Actions
Environment, sustainability and governance risks	Failure to comply with social and environmental standards, or poor environmental and social practices in the Group's operations or supply chains, may give rise to reputational, legal and/or market risks. The physical impacts of climate change can compound existing environmental risks (including natural disasters and extreme weather events) to operations, supply chains and markets, and impact on the Group's ability to obtain key inputs or to service customer needs. This may include disruption to upstream suppliers, manufacturing sites, and downstream warehousing and distribution. The economic transition risks associated with climate change may also impact on cost inputs or customer demand preferences.	• Cross-functional Sustainability Council in place for governance, consisting of a core group of ELT members, who are directly responsible for the implementation of sustainability strategies across various sustainability workstreams. This Cross-functional Sustainability Council provides regular updates to the CEO and full Executive team. • Enforcement of supplier assessments and audits through SEDEX for transparency and baseline on Human Rights, Environment and Governance. • Continued strong focus on Ansell's Code of Conduct, Values and Leadership Competencies. • Qualitative and quantitative goals established in respect to core social and environmental issues. • Diversity initiatives and inclusion policies underway. • Increased emphasis and focus on Sustainability at the Board level, within the remit of the Sustainability and Risk Committee and the Audit and Compliance Committee. • Further developments in the Group's sustainability diligence systems for management of both its operations and supply chain. • Continued drive of the Group's sustainability strategy and significant investment in systems and processes. • Incorporating the consideration of climate related impacts into the Risk Management processes, providing a framework for prioritising climate impacts and other emerging risks based on consideration of the likelihood and the impact of potential risks and opportunities. In line with TCFD recommendations, undertook climate change scenario analysis for the Group's largest manufacturing sites. GHG emissions, water consumption, zero landfill targets set and followed up on. Commenced corporate-level assessment of climate change risk and opportunities across the value chain under different climate change scenarios and undertaking deep-dive analysis of material impacts to quantify financial consequences. Refining metrics and targets to inform strategic decision making and business planning (including product life cycle analysis and initiatives).
Foreign exchange risk	Around half of the Group's revenues and costs are in currencies other than the US$. With volatile foreign exchange markets, significant changes can occur in foreign exchange rates and result in a significant impact on US$ earnings.	• A robust foreign currency management policy is in place (monitored by the Audit and Compliance Committee and the Board). • Ongoing monitoring of currency volatility and forecasts. • Ongoing assessment of impacts to our financial metrics (including EPS and ROCE). • The Group's foreign exchange risks and management strategies are detailed in Note 17 Financial Risk Management of the Group's audited Financial Statements.

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KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ansell Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Ansell Limited for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Penny Stragalinos

Partner

Melbourne

24 August 2021

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Non-audit Services

During the year, the Group's auditor, KPMG, was paid the following amounts in relation to non-audit services provided by KPMG:

Taxation services	$5,596
Other audit and assurance services	$63,216

The Directors are satisfied that the provision of such non-audit services is compatible with the general standards of independence for auditors and does not compromise the auditor independence requirements of the *Corporations Act 2001* in view of both the amount and the nature of the services provided. All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor.

Rounding

The Group is a company of the kind referred to in Australian Securities and Investments Commission Instrument 2016/191 and in accordance with that Instrument, unless otherwise shown, amounts in this Report and the accompanying financial statements have been rounded off to the nearest one hundred thousand dollars.

This Report is made in accordance with a resolution of the Board of Directors made pursuant to Section 298(2) of the *Corporations Act 2001* and is signed for and on behalf of the Directors.

J A Bevan
Director

M R Nicolin
Director

Dated in Melbourne this 24th day of August 2021.

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Letter from the Chair of the Human Resources Committee

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Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present Ansell's Remuneration Report for the year ended 30 June 2021.

Our Performance

The Board is pleased with the strategic and financial performance of the Company, and commends management on achieving record results, which have been reflected in remuneration outcomes for FY21.

Ansell delivered organic growth of 22.5% and EPS constant currency growth of 50.8% in a highly dynamic operating environment and despite the continued disruption to the economy caused by COVID-19. We experienced continued strong demand for our products, particularly for Exam/Single Use products. Our pricing actions and increased internal manufacturing volume helped offset significantly higher raw material, labour and freight costs. The focus for the organisation has been getting additional capacity expansions online to support demand increases for this financial year as well as for 2022 and beyond. The business also worked to ensure it is well positioned for a post COVID-19 environment by continuing to invest in our sales force, product innovation and digital capabilities.

We are acutely aware of the ongoing effects that the COVID-19 pandemic has continued to have on our people, customers and the communities in which we operate, and are proud of the way our company and our people are contributing to the broader global pandemic response effort.

Remuneration Outcomes

In determining STI outcomes for FY21, the Board considered both the formulaic outcomes based on performance relative to our predetermined targets, as well as external factors including the ongoing effects that the pandemic has had on our operations. Given these challenges and the fact that customer demand for FY21 exceeded forecasts in some respects, the Board has determined that STI payments should be reduced, despite our strong financial performance.

Executive STI outcomes (following the Board approved downward adjustments) will range from 76% to 81% of maximum. We believe these outcomes and this application of discretion is appropriate in light of the external environment and to ensure that management do not unfairly benefit. Furthermore, for the CEO, half of the payment of the FY21 STI will again be made in cash and the other half in restricted shares with a two-year restriction period, rather than only the amount above 50% achievement paid in restricted shares.

The FY19-21 LTI plan vesting of 91% of maximum reflects the strong sustained performance over the three-year period. EPS was at maximum, and Organic Sales Growth was above target due to underlying sales growth particularly in Exam/Single Use, despite the downward adjustment made to remove windfall elements of the COVID-19 impact. ROCE achieved the maximum outcome, mainly due to strong EBIT performance, offset by higher working capital at year end.

There were no increases to executives' base salaries or to Non-Executive Director (NED) fees in FY21.

We believe that these remuneration outcomes are fair, that they are strongly aligned to both group performance and individual accountabilities, and that the impact of our success has been shared across executives, employees and our shareholders alike.

Looking Ahead

In FY21, we completed a thorough review of our remuneration framework which will see changes being implemented for FY22. First of all, we maintain the same compensation mix between fixed remuneration and variable remuneration. While our STI and LTI metrics remain similar, a greater weighting will now be given to profitability measures and a greater focus placed on individual contributions which will be measured through a functional and individual scorecard. The latter allows us to introduce non-financial and ESG goals in line with the corporate sustainability agenda. Furthermore, the short-term incentive upside potential is reduced by 25% to shift more of the focus towards long term sustainable performance. Finally the short-term incentive payment for all executive roles will be paid 50% in cash and 50% in equity. On a total direct compensation level, this means that at least half of the executive remuneration will be paid in equity, which further emphasises the commitment to think and act like shareholders with a long term lens.

We have included further details of these changes in this Report.

CEO Succession

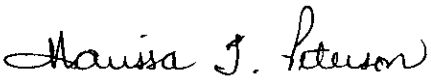
As announced to the market in FY20, Magnus Nicolin will be retiring as Managing Director & CEO in September 2021 and then from the Company in December 2021, and we would like to extend our sincere gratitude for his leadership over the last 11 years, particularly his stewardship during more recent and challenging times through the pandemic. We conducted an extensive global search for our new CEO, considering both internal and external candidates and have announced the appointment of Neil Salmon as Managing Director & CEO effective 1 September 2021. His remuneration details were shared to the ASX on 8 June 2021, along with Mr Nicolin's termination arrangements. Mr Salmon will have a lower fixed annual remuneration and have a total direct compensation package whereby his STI and LTI components will have a lower percentage of fixed remuneration for both at target and maximum payout compared to those for Mr Nicolin. Details are outlined on page 73.

To ensure a smooth and orderly transition between the outgoing and incoming CEO, there will be a four month period where we will be paying two CEO salaries. This is warranted to ensure an orderly transition and Magnus will remain as a special adviser to both the Ansell Board and to Neil where his contribution will be highly valued.

Our Global Business

Ansell continues to be an Australian organisation that is highly global in its structure and operations. Our remuneration structures are critical to help attract, motivate and retain a talented and truly global workforce. As all of our Executive KMP continue to be based outside of Australia, our executive remuneration practices need to remain globally competitive whilst also being regionally appropriate.

We hope that you find this year's Remuneration Report informative and we encourage you to open a dialogue with us where you require further information.



Marissa Peterson
Outgoing Chair of the Human Resources Committee
Ansell Limited

Remuneration Report

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Section 1 – At a Glance

There was strong alignment between performance and remuneration outcomes this year. This was because the Ansell team performed exceptionally well to navigate through the pandemic and position the Company well to respond to heightened levels of demand, through keeping our manufacturing facilities operating, ensuring safe work places for our employees and successfully executing pricing strategies. After applying the Board approved downward adjustments, above target and near maximum performance was achieved for a majority of the metrics with STI outcomes of KMP ranging from 76% to 81% of maximum and the FY19-21 LTI plan vesting at 91% of maximum.

1.1 FY21 Performance

This section is intended to provide a high-level visual summary of the remuneration outcomes for FY21 for Realised Pay[1]. Further detail is provided on each of these in the ensuing sections of the Remuneration Report.

Highlights

- Ansell delivered record sales in FY21 of $2,026.9m, representing organic growth of 22.5%. This was due to a combination of price/mix and volume growth.
- Ansell also delivered record EBIT in FY21 which was 56.0% higher than the prior year and EBIT margins improved 325bps to 16.7%. Gross Profit after distribution expenses margins strengthened by 120bps. This was due to a favourable impact from stronger sales as a result of volume and price increases, greater manufacturing volumes, plant efficiencies and SG&A operating leverage. These positive movements were partially offset by increased labour and freight costs.
- After careful consideration of the impact of external factors, including COVID-19, the Board has applied discretion downwards to financial incentive outcomes (both STI and LTI) to account for the net positive impacts of the pandemic, while also acknowledging the efforts of management in achieving these outcomes in the face of the challenges of the pandemic
- After applying the Board discretionary downward adjustments to the STI financial measures, Sales Growth[3] was above the target, EBIT Growth[2] and Profit Attributable[3] achieved the maximum outcome, whilst Inventory Turns and Cash Conversion[4] were considered as "missed".
- After applying the Board discretionary downward adjustments to the LTI financial measures, Organic Sales Growth well exceeded the target but below the maximum outcome, and EPS[5] growth and ROCE[6] achieved the maximum outcome.

Figure 1.1

The table below outlines Ansell's FY21 reported financial outcomes (as disclosed elsewhere in the annual report) that were used to calculate incentive outcomes:

Sales	$2,026.9m
Organic Growth	22.5%
EBIT	$338.0m
Profit Attributable	$246.7m
EPS	192.2c
Inventory turnover per annum (times)	2.46x
Dividends per share	76.80¢
ROCE	19.8%
Cash Conversion	60.9%

Figure 1.2 STI Performance (Realised)[1]

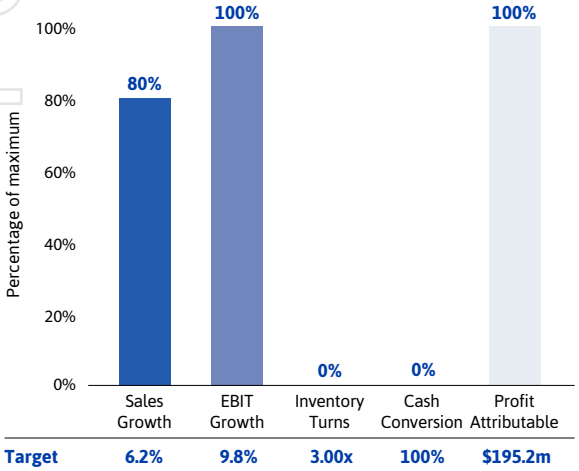
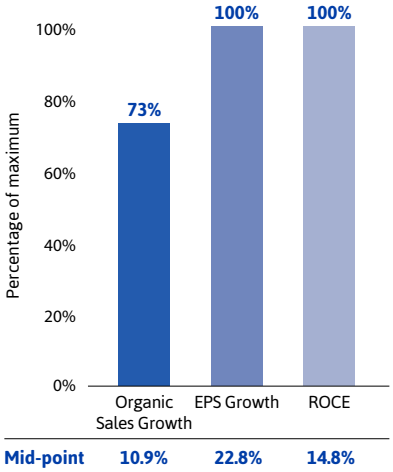
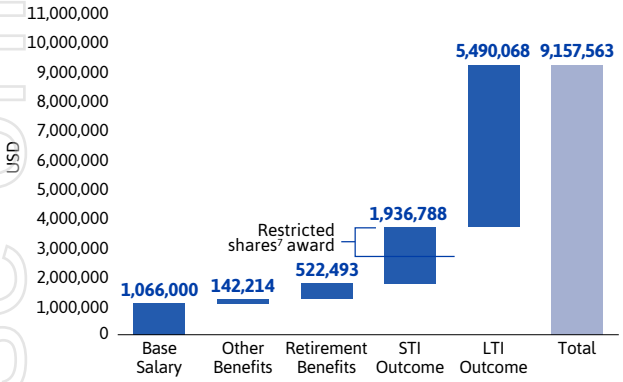


Figure 1.3 LTI Performance (Realised)[1]

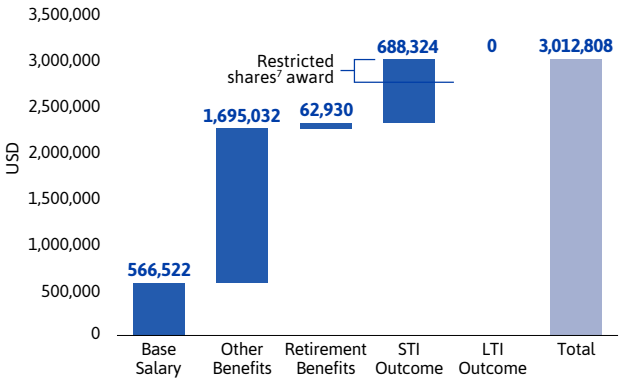


1.2 Executive Realised Pay[1] Summary

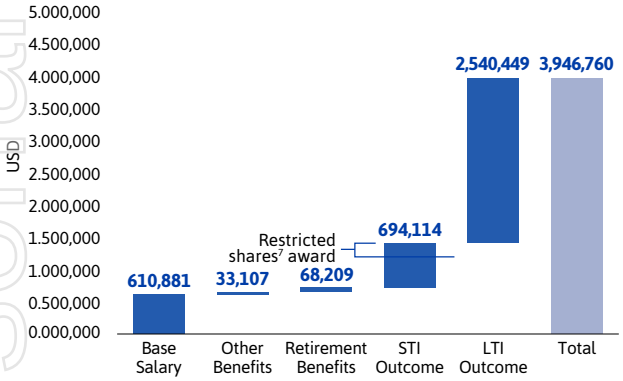
Figure 1.4 CEO – Magnus Nicolin



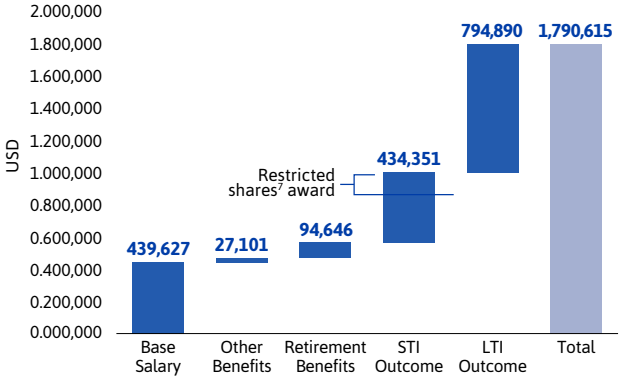
CFO – Zubair Javeed[8]



President of the Industrial GBU – Neil Salmon



President of the Healthcare GBU – Darryl Nazareth[9]



1. Realised pay is a non-IFRS measure and is defined in Section 10 – Glossary.
2. EBIT for remuneration outcomes is reported EBIT (as defined in Section 10 – Glossary) normalised for the impact of foreign exchange gains and losses incurred during the year and after the Board approved FY21 downward adjustment.
3. Sales and Profit Attributable for remuneration outcomes is reported Sales and Profit Attributable normalised for the impact of foreign exchange gains and losses incurred during the year and after the Board approved FY21 downward adjustment.
4. Cash conversion is defined as a ratio expressed as a percentage of net receipts from operations (as reported in the Group's Consolidated Statement of Cash Flows) to EBITDA (as defined in Section 10 – Glossary). This is equivalent to the pre-tax operating cash flow used to measure the Group's operating cash flow efficiency.
5. EPS for remuneration outcomes purposes is Earnings Per Share excluding Board approved adjustments as described in Section 4.
6. ROCE is defined in Section 10 – Glossary.
7. Per Ansell's policy, any STI payable above the target to Executives will be deferred in the form of restricted shares. For FY21, restricted shares were granted to eligible KMPs on 17 August 2021 and are subject to a two-year restriction. While no significant changes were made to the FY21 STI Plan as such, the Board has decided as part of its discretionary adjustment authority, to distribute the STI payable for the CEO equally in cash and restricted shares (i.e. 50% each). The lines shown in the chart above are determined based on a pre-tax split and the number of restricted shares granted is calculated based on a post-tax STI award basis.
8. Mr Javeed's other benefits include his Performance Share Rights sign-on bonus of $1,652,649. Mr Javeed joined the Company after the FY19-FY21 LTI Plan was granted. 50,000 Performance Share Rights were granted on 29 April 2019 as a sign-on bonus and vested on 29 April 2021. The closing share price of Ansell Limited on the ASX was A$42.43 and the foreign exchange rate was A$1:US$0.7790 on 29 April 2021.
9. Mr Nazareth was appointed President of the HGBU and became a KMP on 1 April 2019. Mr Nazareth's realised FY19-21 LTI information disclosed in this report only relates to the period after 1 April 2019 (i.e. 27 months after becoming a KMP).

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1.3 The Board's Application of Discretion

In light of the ongoing impact of COVID-19, the Board undertook a thorough review process examining the appropriateness of remuneration outcomes this year, which included:

- discussing a number of scenarios at Human Resources Committee (HRC) meetings as well as joint consultation/deliberations with the full Board;
- examining guidance and recommendations on the matter released by external stakeholders, including ASIC, Australian Institute of Company Directors (AICD) and proxy advisers;
- seeking independent advice from PwC, our independent remuneration consultant (see Section 8.2 for details); and
- considering the healthy state of Ansell's business and our workforce, and the positive share price performance.

The Ansell team performed exceptionally well, delivering Sales, EBIT and EPS significantly above targets. TSR was also positive with 21% growth for FY21 and 20% CAGR between FY19 to FY21. Because management expected COVID-19 to remain at the forefront during FY21, the Board set stretch targets for Sales and EBIT performance as well as shifting the STI performance outcome emphasis from Sales to EBIT. Management's decisions and actions during the ongoing pandemic positioned the Company well to be able to respond to the increased demand. Remarkable efforts and changes in process were made to keep our manufacturing facilities operating, while ensuring our employees remained safe and working within various government mandated restrictions. Overall, there has been a positive impact on Sales, EBIT and EPS. In determining the appropriate STI and LTI incentive awards outcomes for FY21, the Board:

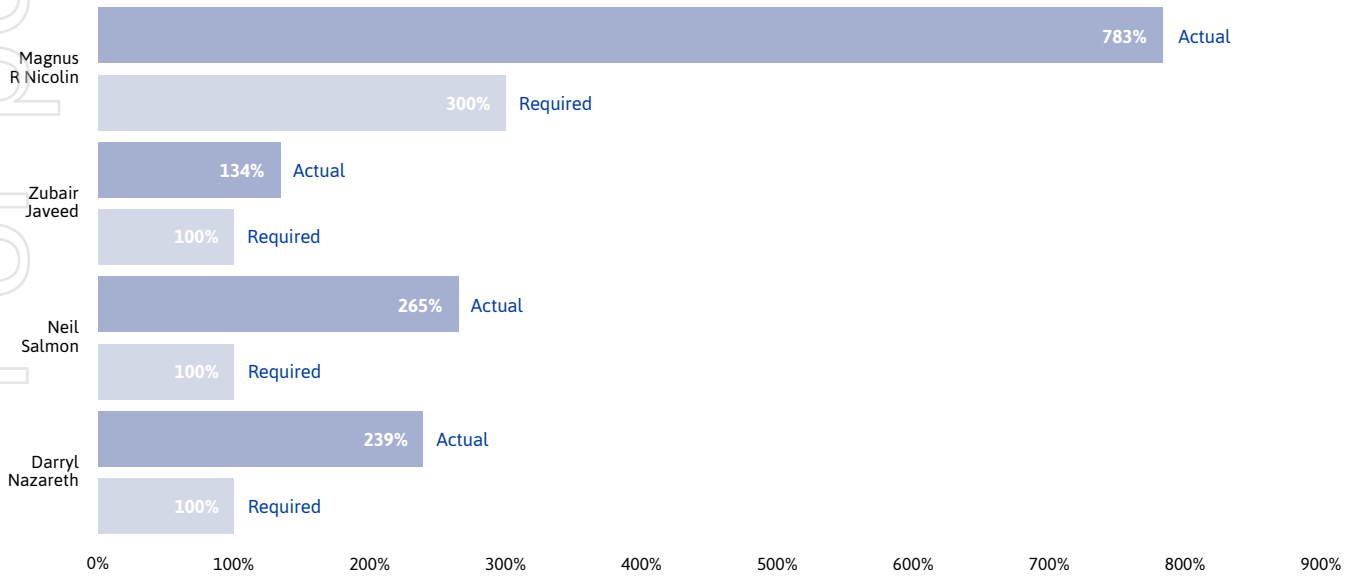
- commenced considerations from the calculated formulaic awards based on FY21 actual results, resulting in potentially much higher incentive outcomes;
- referred back to our FY21 forecast and assumptions to quantify the incremental net financial impacts on the Group's results of the pandemic; and
- assessed the actual conditions and then exercised downward discretion for the additional un-forecasted sales impacts of COVID-19, but deemed it appropriate to include a portion to recognise management's extraordinary efforts and performance in managing through the pandemic.

The final incentive outcomes, as determined by the HRC and the Board, are above target; and are below actual company financial performance. Furthermore, the CEO and the HRC mutually agreed to shift a greater proportion of the CEO's STI award to shares with a 2-year deferral period (50% of total STI award, versus what would normally have been only the percentage above target). This further reinforces longer-term value alignment with shareholders.

1.4 Executive Shareholding

Mandatory shareholding requirements are aligned with market norm and align executive and shareholder interests. Refer to Section 5.3 Mandatory Shareholding Requirements including time allowed for achievement.

Figure 1.5 CEO and Other Executives Mandatory Shareholding Requirements (expressed as a percentage of base pay)



Remuneration Report (audited)

Section 2 – Introduction and KMP Composition

2.1 Introduction

The Directors of Ansell Limited (Ansell) and its subsidiaries (the 'Group') present the Remuneration Report. This Report has been prepared in accordance with Section 300A of the *Corporations Act 2001* for FY21. This Report, which has been audited by KPMG, forms part of the Report of the Directors.

The Report outlines the remuneration arrangements in place for the Non-Executive Directors and Executive KMPs of Ansell, being those executives who have authority and responsibility for planning, directing and controlling the activities of the Group. In this Report, 'Executives' refers to members of the Group Executive team identified as KMP.

2.2 KMPs Comprising the Board of Directors and Executives

The composition of the Ansell KMP did not change during FY21.

The table below details Ansell's KMP during FY21:

Non-Executive Directors	Location	Role
John A Bevan	Australia	Chairman, Independent Non-Executive Director
W Peter Day	Australia	Independent Non-Executive Director
Leslie A Desjardins	United States	Independent Non-Executive Director
Nigel D Garrard	Australia	Independent Non-Executive Director
Marissa T Peterson	United States	Independent Non-Executive Director
William G Reilly	United States	Independent Non-Executive Director
Christina M Stercken	Germany	Independent Non-Executive Director
Christine Y Yan	United States	Independent Non-Executive Director
Executive Director	**Location**	**Role**
Magnus R Nicolin	Belgium	Managing Director (MD) and Chief Executive Officer (CEO)
Other Executives	**Location**	**Role**
Zubair Javeed	Belgium	Chief Financial Officer (CFO)
Neil Salmon	Belgium	President of the Industrial GBU (IGBU)
Darryl Nazareth	United States	President of the Healthcare GBU (HGBU)

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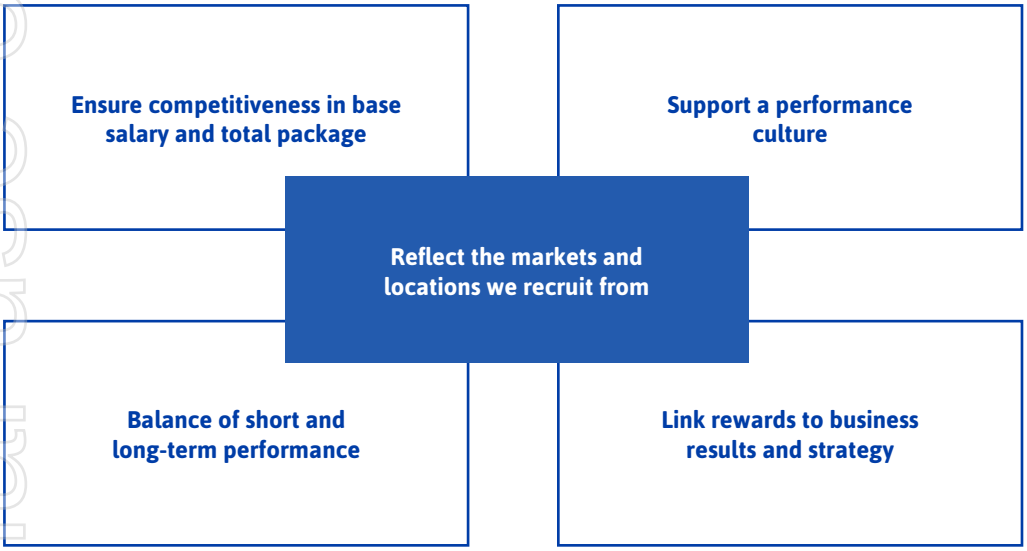
Section 3 – Remuneration Policy

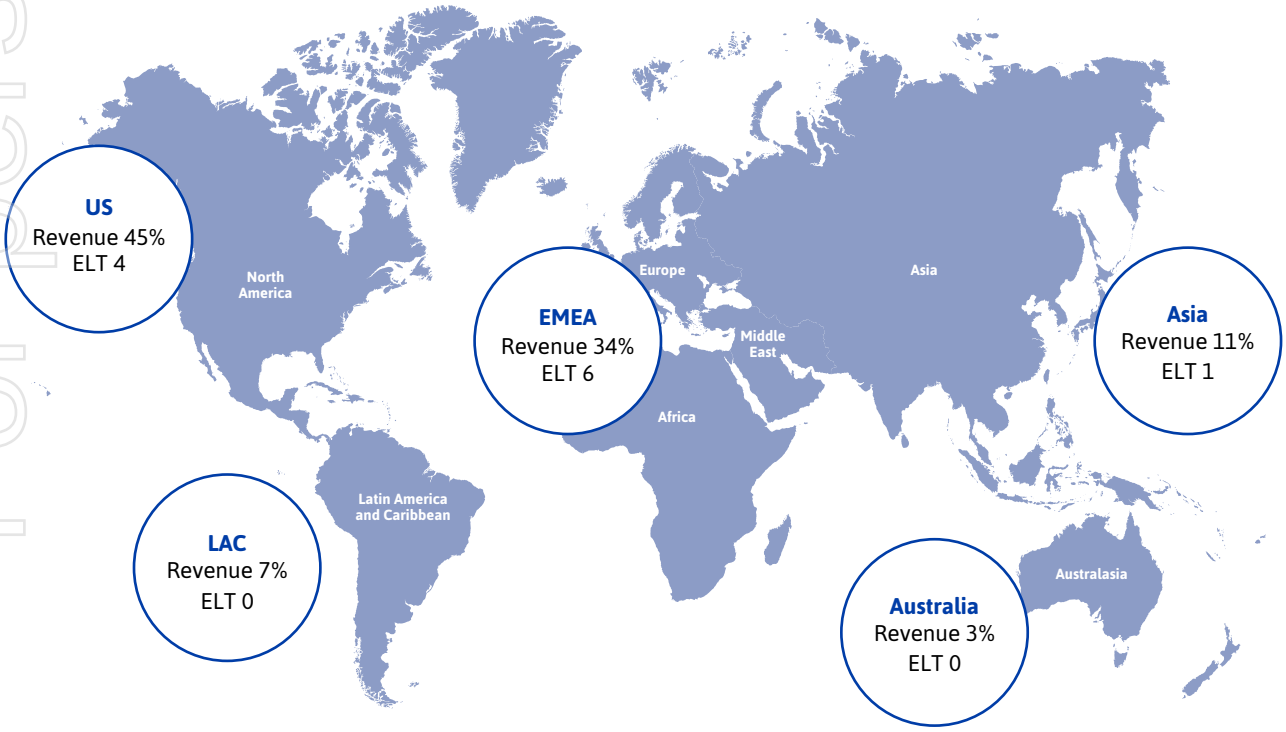
3.1 Philosophy and Strategy

The Board's remuneration philosophy links the achievement of our strategic objectives and corporate plans with appropriate and measured rewards for the Company's Executives.

Our governing principles are summarised below:



Even though Ansell is listed on the Australian Stock Exchange, staff are located in approximately 55+ worldwide locations, with the core Executive Leadership Team (ELT) based in Belgium, US and Malaysia.



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3.2 Remuneration Framework Components

Our Executive remuneration framework, which has been in place for 4 years, consists of the following components:

Figure 3.2

Component	Operation and Performance Measure	Strategic Objective/ Performance Link
Fixed Annual Remuneration (FAR) Base salary plus retirement and other benefits. Pay mix[1] FAR: 18% to 19%[2] Remuneration delivery timeline: 1 year	Takes into account: • responsibilities, qualifications, experience; and • performance, location and market rate for a comparable role.	• Attract, engage and retain talented Executives. • Consider, but not be constrained by, relevant benchmarks. • Increases are linked to individual performance, the organisation he/she leads and indirectly the overall business.
+		
STI Cash plus 2-year deferral into equity for part of the award above the target[3]. Pay mix[1] STI: 18% to 21%[2] Remuneration delivery timeline: 1-3 years[4]	• Combination of financial and non-financial performance metrics. • Performance weighted more towards financial targets (i.e. not less than 80% of the award).	• Aligned with the Group's short-term objectives. • Clear line of sight for participants. • Deferral of part of the award encourages longer-term sustainable performance.
+		
LTI Rights to receive fully paid ordinary shares subject to performance. Pay mix[1] LTI: 60% to 64%[2] Remuneration delivery timeline: 3 years	• Three-year performance and vesting period. • Combination of key financial and shareholder value measures.	• Reflects key long-term priorities of the business at the time. • Relevant indicator of shareholder value creation (refer to page 19). • Suitable line of sight for participants to encourage and motivate executive performance.
=		
Total Remuneration	• Attract, retain and motivate highly capable Executives. • Reinforce short and long-term objectives. • Alignment with shareholder value. • Deliver sustainable growth.	

1. Pay mix is calculated based on the remuneration information as per Section 4 – Realised Pay Summary.
2. Excludes both Mr Javeed and Mr Nazareth. Mr Javeed's other benefits include his Performance Share Rights sign-on bonus, which was granted on 29 April 2019 and vested on 29 April 2021. Mr Javeed joined the Group after the FY19-21 LTI Plan was granted. Mr Nazareth was appointed as President of the HGBU and became a KMP on 1 April 2019. Mr Nazareth's realised FY19-21 LTI information disclosed in this report only relates to the period after 1 April 2019 (i.e. 27 months after becoming a KMP). If their information is included, the pay mix for FY21 changes to FAR: 18% to 77%, STI: 18% to 24%, and LTI: 0% to 64%. Mr Javeed's Performance Share Rights sign-on bonus (2 years vesting) has been included in FAR, however if it was considered as an LTI, the pay mix for FY21 changes to FAR: 18% to 31%, STI 18% to 24% and LTI: 44% to 64%.
3. While no significant changes were made to the FY21 STI Plan as such, the Board has decided, as part of its discretionary adjustment authority, to distribute the STI payable for the CEO equally in cash and restricted shares (i.e. 50% each). The number of restricted shares granted is calculated based on a post-tax STI award basis.
4. The restriction on shares issued for awards earned for above target performance will see the shares held for a minimum period of two years from when the shares are granted.

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Section 4 – FY21 Remuneration Framework in Detail and Outcomes

This section uses non-IFRS financial information to detail realised pay earned by Executive KMPs during FY21, together with prior year comparatives. This is a voluntary disclosure and is supplemental information to the statutory remuneration disclosure contained in Section 5 of this Remuneration Report. Realised pay includes base salary, retirement and other benefits paid/payable in relation to FY21. It also includes the full value of incentive payments earned in relation to the FY21 performance period. This differs from the statutory amount as it excludes accruals and estimations and is thus a closer measure of 'take home pay' received in respect of the current year.

Ansell's reporting currency is US$ and the CEO and another Executive KMP are paid in US$. For some Executive KMPs, the reported numbers in the statutory and realised pay tables are subject to currency translation differences from year to year.

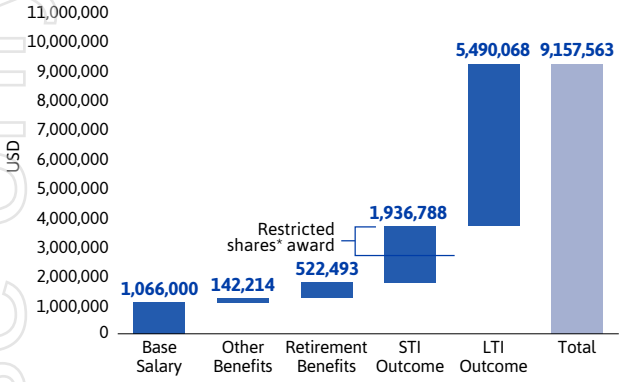
4.1 Realised Pay Summary (US$)

					STI[4]		LTI[5]	
Name	Year	Base Salary[1]	Retirement Benefits[2]	Other[3]	Cash	Restricted Shares	Equity[6]	Total Earnings
CEO								
Magnus R Nicolin	**2021**	**1,066,000**	**522,493**	**142,214**	**968,394**	**968,394**	**5,490,068**	**9,157,563**
	2020	1,066,000	439,999	150,205	795,103	795,103	3,736,629	6,983,039
Other Executives								
Zubair Javeed[7]	**2021**	**566,522**	**62,930**	**1,695,032**	**424,892**	**263,432**	**–**	**3,012,808**
	2020	525,168	58,336	36,758	393,876	128,403	–	1,142,541
Neil Salmon	**2021**	**610,881**	**68,209**	**33,107**	**458,161**	**235,953**	**2,540,449**	**3,946,760**
	2020	566,289	82,414	31,269	424,717	127,415	1,490,896	2,723,000
Darryl Nazareth[8]	**2021**	**439,627**	**94,646**	**27,101**	**285,758**	**148,593**	**794,890**	**1,790,615**
	2020	439,627	97,693	32,766	285,758	85,727	280,778	1,222,349

1. Base salary includes the salary earned by the individual in FY21. The increases in base salary for Executives are based on performance and external benchmarking of similar positions in the jurisdictions in which the Executives are based. Thus, none of the Executives received any pay increase in FY21. Both Mr Salmon and Mr Javeed are remunerated in Euros and any US$ movement above reflects foreign exchange conversion impacts.
2. Retirement benefits include all the retirement benefits earned by the individual in the current year. Mr Nicolin's retirement benefits are based on his base salary plus prior year STI achievement and will consequently vary from year to year.
3. Other includes the cost to the Company of benefits such as motor vehicle, expatriation and relocation expenses, insurance, expat tax equalisation payments, retrospective base salary and other amounts. Mr Javeed's other benefits include his Performance Share Rights sign-on bonus of $1,652,649. Mr Javeed joined the Company after the FY19-FY21 LTI Plan was granted. 50,000 Performance Share Rights were granted on 29 April 2019 as a sign-on bonus and vested on 29 April 2021. The closing share price of Ansell Limited on the ASX was A$42.43 and the foreign exchange rate was A$1:US$0.7790 on 29 April 2021.
4. 2021 and 2020 STI represent amounts payable under the FY21 and FY20 STI Plans respectively. Per Ansell's policy, any STI payable above target to Executives will be deferred in the form of restricted shares. For FY21, restricted shares were granted to eligible KMP on 17 August 2021 and are subject to a two year restriction. While no significant changes were made to the FY21 STI Plan as such, the Board has decided as part of its discretionary adjustment authority to distribute the STI payable for the CEO equally in cash and restricted shares (i.e. 50% each). The amounts shown in the table above are pre-tax and the number of restricted shares granted is calculated based on a post-tax STI award basis.
5. 2021 and 2020 LTI relate to the FY19 and FY18 grants, outcomes of which were approved by the HRC on 17 August 2021 and 18 August 2020 respectively. The FY19 award was determined to be 91% of the maximum award (FY18 award: 55%).
6. The 2021 equity figure represents the US$ value of the number of PSRs that have vested multiplied by the closing share price of Ansell Limited on the ASX on 17 August 2021, being A$40.55 (2020: 18 August 2020 at A$39.88). This was the date on which the HRC approved the vesting of the shares. The 2021 translation to US$ used a foreign exchange (FX) rate of A$1:US$0.7338 (2020: A$1:US$0.7240).
7. Mr Javeed joined the Company after the FY19-21 LTI Plan was granted.
8. Mr Nazareth was appointed President of the HGBU and became a KMP from 1 April 2019. Mr Nazareth's realised FY19-21 LTI information disclosed in this report only relates to the period after 1 April 2019 (i.e. 27 months after becoming a KMP).

   For further transparency, the full amount of Mr Nazareth's realised LTI pursuant to FY19-FY21 LTI plan is $1,059,853. (FY18-20 LTI plan: $673,867).

4.2 Breakdown of CEO Realised Pay



	Metrics	Weight %	Achieve-ments %	Payouts $
STI Outcome	Sales	25%	80%	479,700
	EBIT	50%	100%	1,199,250
	Cash Conversion	10%	0%	–
	Profit Attributable	5%	100%	119,925
	Personal Objectives	10%	58%	137,913
	Overall	**100%**	**81%**	**1,936,788**
LTI Outcome	Organic Sales Growth	33.3%	73%	1,461,400
	EPS	33.3%	100%	2,014,334
	ROCE	33.4%	100%	2,014,334
	Overall	**100%**	**91%**	**5,490,068**

* Per Ansell's policy, any STI payable above the target payable to Executives will be deferred in the form of restricted shares. For FY21, restricted shares were granted to eligible KMP on 17 August 2021 and are subject to a two-year restriction. While no significant changes were made to the FY21 STI Plan as such, the Board has decided, as part of its discretionary adjustment authority, to distribute the STI payable for the CEO equally in cash and restricted shares (i.e. 50% each). The lines shown in the chart above are determined based on a pre-tax split and the number of restricted shares granted is calculated based on a post-tax STI award basis.

4.3 Remuneration Framework Details

Fixed Annual Remuneration

Element of pay	How the policy operated for FY21
	No material changes were made to the policy in FY21.
Base salary	Normally base salaries are reviewed annually. For FY21 the HRC considered several reference points including internal relativities, changes in scope of responsibilities, local market inflation and the wider macro-economic environment. External market data was sourced during the year, but was used with caution. The base salaries for the Executive KMPs for FY21 were:

Figure 4.3

Executive	Base Salary	Increase
Magnus R Nicolin	$1,066,000	–
Zubair Javeed	€475,000	–
Neil Salmon	€512,193	–
Darryl Nazareth	$439,627	–

Mr Nicolin, Mr Salmon and Mr Javeed are based in Belgium. Mr Nazareth is based in the US. None of the Executive KMPs' base salaries have increased in FY21.

As indicated in FY20 – no plan changes were enacted during FY21.

Retirement benefits	Includes contributions to US benefit or non-qualified pension plans and Belgian retirement savings plans (as applicable). Mr Nicolin's retirement benefit is based on his base salary plus prior year STI achievement and will consequently vary from year to year. As indicated in FY20 – no plan changes were enacted during FY21.
Other benefits	May vary between Executives, depending on their local market and their particular circumstances. May include benefits such as motor vehicle, Executive expatriation/repatriation and relocation allowances, Executive insurance, expat tax equalisation payments and other amounts. Reflects the Company's overall policy on international mobility. As indicated in FY20 – no plan changes were enacted during FY21.

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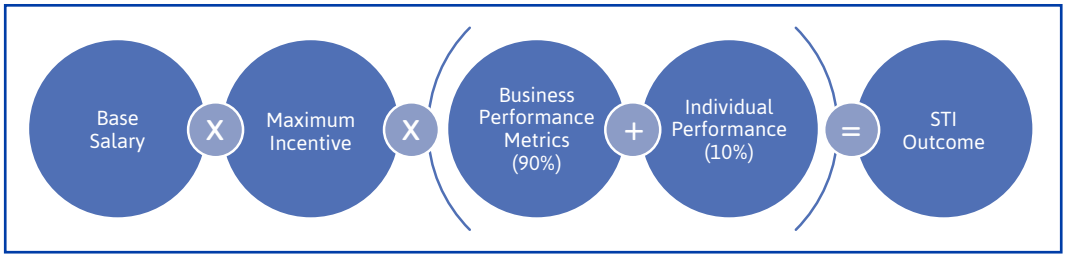
Short-Term Incentive (STI)

FY21 STI

Executives are eligible to participate in the STI plan.

Annual award payable part in cash and part in restricted shares. The deferral of equity only relates to those awards earned for above target performance. The restriction will see the shares held for a minimum period of two years from when the shares are granted. The number of restricted shares granted is calculated based on a post-tax STI award basis.

While no significant changes were made to the FY21 STI Plan as such, the Board has decided, as part of its discretionary adjustment authority, to distribute the STI payable for the CEO equally in cash and restricted shares (i.e. 50% each). This would normally have been paid in cash up to target.



FY21 STI opportunity

Executive	Minimum STI (% of base salary)[1]	Maximum STI (% of base salary)
CEO	0%	225%
CFO	0%	150%
Neil Salmon[2]	0%	150%
Darryl Nazareth	0%	130%

1. STI bonus opportunity for Ansell executives begins at 0% achievement, which is more challenging in comparison to most peer companies where achieving the minimum performance condition earns a threshold incentive outcome.
2. Mr Salmon was appointed as President of the IGBU on 28 April 2019. Mr Salmon's maximum STI opportunity was grandfathered in line with his prior CFO role.

FY21 STI performance measures

Requires the achievement of pre-set performance targets directly linked to Ansell's business strategy:

	Performance Measures						
Executive	Sales	EBIT	Inventory Turns	Cash Conversion	Profit Attributable	Individual Objectives	Total
CEO	25%	50%	–	10%	5%	10%	100%
CFO	25%	50%	–	10%	5%	10%	100%
Other Executives	25%	50%	15%	–	–	10%	100%

FY21 STI methodology

Ansell's sales and EBIT target setting process methodically factored in the following aspects:

(a) Prior year fiscal performance as a baseline subject to limited adjustments (e.g. normalisation of material items and projected FX rates). The Board approved FY20 downward adjustment was not included within the base.

(b) Targets were established for sales and EBIT growth.

- The sales growth target starting point assumed 1.5X GDP growth in markets weighted for Ansell Industrial and Healthcare. FY21 targets also factored in COVID-19 related sales price and volume increases particularly in relation to Exam/Single Use products.
- The EBIT growth target assumed costs increased below the rate of sales growth to target a higher EBIT growth. The FY21 target also considered the impacts of COVID-19, with increased product cost largely offset by the increase in sales price.

(c) Incremental growth returns on committed significant investments were also added to targeted sales growth and EBIT growth.

The Board then applied discretion in reviewing the outcome of the above methodology against their performance expectations of the business and chose to adjust the performance incentive outcomes accordingly.

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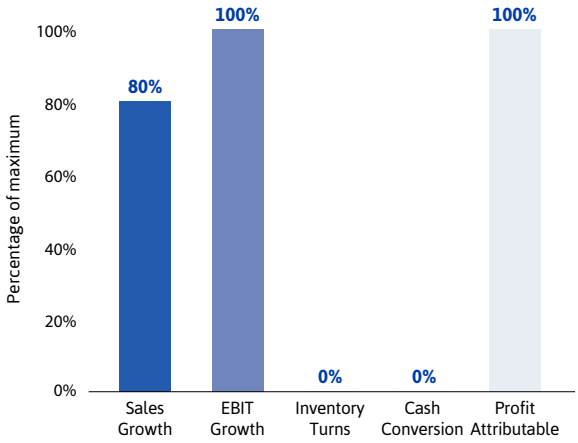
FY21 STI outcomes

The Board applied some discretion in arriving at financial outcomes for the purposes of the STI award. After consideration of the continued impacts of COVID-19, the Board exercised discretion and adjusted all financial outcomes downwards where applicable.

After taking into account adjustments from the Board, STI achievement against the five metrics (excluding individual objectives) used in different KMP STI plans can be summarised as follows:

- Sales growth was well above target levels due to strong underlying sales performance, particularly in HGBU, despite the downward adjustment.
- EBIT growth exceeded the maximum achievement despite the downward adjustment made to remove the COVID-19 impact. This outcome reflects the strong performance of the Group as a result of successful execution of strategy and benefits from its investments.
- Consistent with past practice, the impact of FX volatility on the Group's results in FY20 and FY21 were adjusted via the Group's constant currency target-setting and measuring process.
- Inventory Turns showed good momentum throughout the year however tapered off towards the end of the year due to higher inventory levels to meet future demand, and missed the threshold for FY21.
- Cash Conversion delivery was held back in FY21 by increased working capital to support sales growth and was below threshold.
- Profit Attributable achieved a maximum outcome predominately due to strong EBIT growth.

Figure 4.4 STI Performance (Realised)



Executive	Performance Against Individual Objectives
Magnus R Nicolin	Mr Nicolin continues to provide excellent leadership of the Group and has delivered his strongest year yet on both top line and bottom line returns. Through the continued COVID-19 pandemic he has focused firstly on the welfare and safety of employees and then enabling the Group to respond to the unprecedented demand for PPE. Under his leadership, the Group continues to grow sustainably for the long term and he has ensured a strong leadership and succession pipeline. During FY21 significant investments in new manufacturing capacity were brought on stream and new digital selling channels have been realised for customers.
Zubair Javeed	Mr Javeed has been with the Group for just over two years and continues to deliver solid financial steerage. He has strong finance functional skills, is a highly valued finance business partner to his colleagues, and continues to build trust with key stakeholders. He has strengthened the finance function during the year and continues to hire exceptional talent.
Neil Salmon	Mr Salmon has completed his second full year in his role and has driven excellent performance across the Industrial GBU, outstripping expectations in spite of the challenges of some continued demand declines due to COVID-19 impacts. Growth has been strong across both of the strategic business units, Mechanical and Chemical solutions, with Neil keeping a strong focus on customer needs, product innovation as well as improving margins across his portfolios.
Darryl Nazareth	Mr Nazareth has completed his second full year in role and has continued to drive outstanding performance across the Healthcare GBU. This growth has been delivered in all 3 strategic business units, Surgical, Exam/Single Use and Life Science solutions and has been enabled in part due to some key earlier strategic expansion plans becoming operational during the year.

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FY21 STI outcomes (continued)

For the FY21 STI, the Board approved the following payments to the Executives (US$):

Figure 4.5

Name	Financial	Individual	Total STI Payable	STI[1] Cash	STI[1] Restricted Shares	% Award Achieved[2]	% Forfeited[2]
Executive Director							
Magnus R Nicolin	1,798,875	137,913	1,936,788	968,394	968,394	81%	19%
Other Executives							
Zubair Javeed	637,337	50,987	688,324	424,892	263,432	81%	19%
Neil Salmon	641,425	52,689	694,114	458,161	235,953	76%	24%
Darryl Nazareth	400,060	34,291	434,351	285,758	148,593	76%	24%

1. Per Ansell's policy, any STI payable above target to Executives will be deferred in the form of restricted shares. For FY21, restricted shares were granted to eligible KMP on 17 August 2021 and are subject to a two year restriction. While no significant changes were made to the FY21 STI Plan as such, the Board has decided, as part of its discretionary adjustment authority, to distribute the STI payable for the CEO equally in cash and restricted shares (i.e. 50% each). The amounts shown in the table above are pre-tax and the number of restricted shares granted is calculated based on a post-tax STI award basis.
2. All outcomes are expressed as a percentage of maximum.

Long-Term Incentive (LTI)

LTI awards vesting in FY21

The Board applied some discretion in arriving at financial outcomes for the purposes of the LTI award. After consideration of the additional unforecasted impacts of COVID-19, the Board exercised discretion and adjusted all financial outcomes downwards where applicable.

FY19-FY21 Plan performance

The performance conditions comprise three components with each component worth one-third of the total LTI award. These, along with a summary of their outcomes against maximum targets are shown below:

Figure 4.6

Performance measure and weighting	Weighting	Minimum (0% vesting)	Maximum (100% vesting)	Actual	Vesting (% of Maximum)
EPS Growth (also subject to ROCE gateway in year 3)	33.3%	12.5% growth by year 3 (4% Compound Annual Growth Rate – CAGR)	33.1% growth by year 3 (10% CAGR)	41.5%	100%*
Organic Sales Growth	33.3%	6.1% growth by year 3 (2% CAGR)	15.8% growth by year 3 (5% CAGR)	13.1%	72.0%
ROCE	33.4%	14% in year 3	15.5% in year 3	16.5%	100%*
Overall	**100%**	**n/a**	**n/a**	**n/a**	**91%**

* Although 3 year's cumulative compound EPS growth is 41.5% and ROCE in year 3 is 16.5%, the LTI program only allows a vesting at maximum for EPS Growth (being 33.1%) and ROCE (being 15.5%).

The FY19-FY21 achievement was therefore 91% of Maximum on a combined basis. The breakdown of the numbers are explained further in the following sections.

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LTI awards vesting in FY21 (continued)

FY19-FY21 Organic Sales Growth

The Organic Sales Growth result exceeded the target growth rate and was driven by underlying sales growth, particularly in Exam/Single Use, despite the challenging economic conditions in several key geographies.

FY19-FY21 EPS growth

(a) FY21 – EPS for the purposes of LTI award

The Board assessed the FY21 adjusted EPS relevant for incentive purposes as 154.5 US cents, with a reconciliation to statutory EPS shown below:

US cents	FY21
Statutory EPS	**192.2**
FX loss adjustment	10.0
Amortisation of previously adjusted FY18 & FY19 Transformation Program expenses[1]	(8.8)
Board approved FY21 downward adjustment	(40.6)
FY21 change in accounting policy (IFRIC Agenda Decision – cloud computing)[2]	1.7
Adjusted EPS for LTI award	**154.5**

1. In keeping with past practice, an amortised portion of the one-time Transformation Program costs previously excluded from the calculation of the LTI awards has been included. The amortisation adjustment impacts were explained in detail in the FY19 Remuneration Report.
2. In keeping with past practice, the impact from a change in accounting policy was excluded from the EPS growth calculation (FY20: 1.6 cents) ensuring financial information is on a consistent accounting basis as that of the grant year. As such, the effects of the FY21 change in accounting policy (IFRIC Agenda Decision – cloud computing) were excluded from the EPS growth calculation. See Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements for the impact.

(b) Calculating FY19-FY21 LTI Plan Cumulative Compound EPS Growth

The table below summarises the cumulative compound EPS growth as a percentage for the three-year period ended 30 June 2021.

Figure 4.7

EPS including adjustments for LTI awards	Prior Year[2] (US cents)	Current Year (US cents)	Growth (US cents)	Growth (%)	Compound Growth (%)
FY19[1]	108.0	105.3	(2.7)	(2.5%)	(2.5%)
FY20	93.1	106.6	13.5	14.5%	11.6%
FY21	**121.9**	**154.5**	**32.6**	**26.7%**	**41.5%[3]**

1. The calculation of the EPS Growth for FY19 was explained in detail in the FY19 Remuneration Report.
2. The prior year EPS is adjusted for constant currency and stated on a basis exclusive of the FY21 change in accounting policy (IFRIC Agenda Decision – cloud computing), ensuring a consistent accounting basis as that of the grant year. If the above EPS growth was stated on a basis inclusive of the FY21 change in accounting policy (IFRIC Agenda Decision – cloud computing), the compound growth would have been 39.7% over the three-year period ended 30 June 2021.
3. Although 3 year's cumulative compound EPS growth is 41.5%, the vesting for EPS Growth has been capped at maximum (being 33.1%).

FY21 ROCE

FY21 ROCE of 16.5% exceeded the 14% gateway threshold and achieved the maximum. The maximum outcome was mainly due to strong EBIT performance, offset by higher working capital at year end.

As explained in detail in the FY19 Remuneration Report, the impact of funding a business acquisition is excluded from the ROCE calculation from the year of the acquisition and phased in over the following 3-year period. FY19 business acquisitions totalled $76.3m, 1/3 of which has been phased in for determining the FY21 ROCE.

In keeping with past practice, the ROCE was calculated by using financial information on a consistent accounting basis as that of the grant year. As such, both the effects of AASB 16 *Leases* and the effects of the FY21 change in accounting policy (IFRIC Agenda Decision – cloud computing) were excluded from the ROCE calculation. See Note 1 Summary of Significant Accounting Policies and Note 10 Leases of the Group's audited Financial Statements for the impact.

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LTI outcomes for KMP

The outcome for each Executive is shown in the table below:

Figure 4.8

	Date Award Granted	Maximum Value of PSRs Granted (US$)	Number of PSRs Vested (Shares)	Number of PSRs Forfeited (Shares)
CEO				
Magnus R Nicolin	14/08/2018	3,837,600	184,505	18,583
Other Executives				
Zubair Javeed[1]	n/a	n/a	n/a	n/a
Neil Salmon	14/08/2018	1,775,696	85,377	8,599
Darryl Nazareth[2]	14/08/2018	555,459	26,714	2,691

1. Mr Javeed joined the Company after the FY19-FY21 LTI Plan was granted.
2. Mr Nazareth was appointed President of the HGBU and became a KMP on 1 April 2019. Mr Nazareth's LTI pursuant to FY19-FY21 LTI plan and disclosed in this report only relates to the period after 1 April 2019 (i.e. 27 months after becoming a KMP).

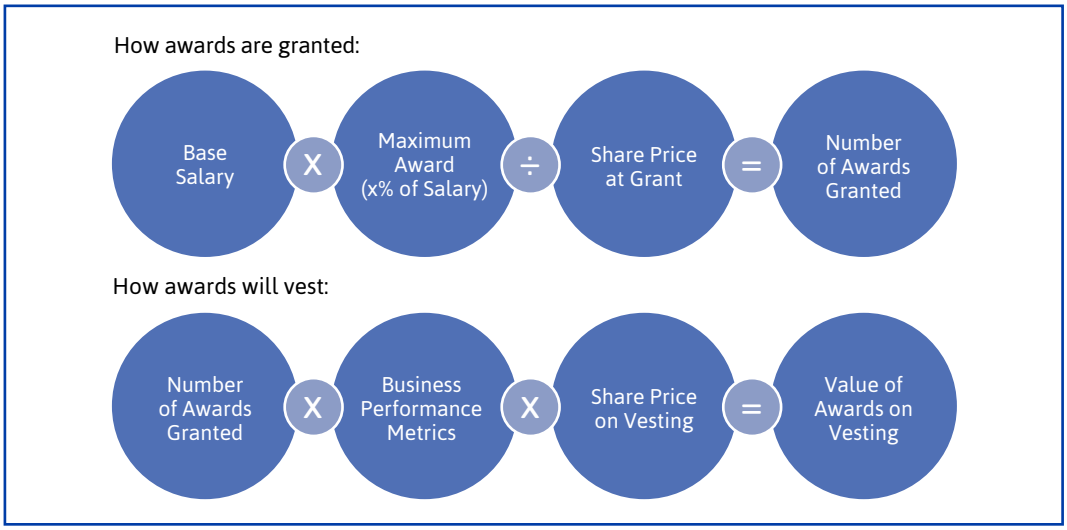
LTI design

FY21-FY23 Plan – There were no changes in FY21.

LTI – awards granted during the year

Annual awards granted will vest after three years subject to the achievement of the performance conditions and continued service. Awards that do not vest at vesting date automatically lapse.

LTI awards are entirely in the form of PSRs at face value. Executives are eligible to participate in the LTI Plan.



LTI Opportunity

For the FY21-FY23 Plan the LTI awards were as follows:

Executive	Minimum LTI (% of Base Salary)[1]	Maximum LTI (% of Base Salary)
Magnus R Nicolin	0%	360%
Zubair Javeed	0%	250%
Neil Salmon	0%	250%
Darryl Nazareth	0%	200%

1. LTI bonus opportunity for Ansell executives begins at 0% achievement, which is more challenging in comparison to most peer companies where achieving the minimum performance condition earns a threshold incentive outcome.

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LTI Performance metrics

The performance measures for the FY21–FY23 Plan awards are:

Performance Measure and Weighting	Weighting	Minimum Hurdle	Maximum Hurdle (100% Vesting)
EPS growth (also subject to ROCE gateway in year three)	1/3rd	15.8% growth by year three (5% Compound Annual Growth Rate – CAGR)	36.7% growth by year three (11% CAGR)
Organic Sales Growth	1/3rd	9.3% growth by year three (3% Compound Annual Growth Rate – CAGR)	19.1% growth by year three (6% CAGR)
ROCE	1/3rd	13.9% in year three	15.5% in year three

The LTI metrics reflect the business strategy of maximising sustainable growth organically and through acquisitions aligned with leadership as a safety solutions company. Growth will be measured against FY20 operations at constant currency.

Pursuant to the design of the plan, the ROCE gateway to EPS achievement for the FY21–FY23 plan was set at 13.5%, which is different from the minimum ROCE performance condition.

The Board evaluated the business performance and considered these performance measures are appropriate.

Other policy matters

Board discretion on adjustments

(a) HRC policy covers individual material items including restructuring charges, acquisitions, divestments, equity capital issuance and repurchase. Discretion may be exercised when events or accounting rules create a favourable or unfavourable effect on earnings for a single year that may cause a misalignment between incentive outcomes and shareholder value creation.

(b) As described on pages 53 and 60–62, the Board exercised its discretion in determining FY21 incentive outcomes.

Change of control

On a change of control, the Board has discretion to vest some or all of the LTI awards, but, unless it uses its discretion, awards will vest as if the applicable performance condition has met the mid-point level of performance (and without time pro rating). In exercising this discretion, the Board will consider all relevant circumstances, including performance against the various measures and conditions for the part period up to the change of control event and the portion of the performance period that has expired. Any restricted ordinary shares under the STI Plan will become unrestricted ordinary shares, unless the Board determines otherwise.

Recovery and withholding

The recovery and withholding provisions are consistent across both the STI and LTI plans. The Board can claw back and apply malus incentives to cover the following events:

(a) Material misstatement of the financial statements

(b) Misconduct

(c) Error in calculation of the performance condition

(d) Serious reputational damage to the Group

Leaver treatment

(a) If an Executive ceases his or her employment with Ansell at any time prior to the end of the performance period, the Executive shall not be entitled to any STI payment. However, the HRC may, in its sole discretion, pay a pro-rated award in certain circumstances, such as death, disablement, retirement or other approved situations.

(b) If an Executive ceases his or her employment with Ansell at any time prior to the end of the vesting period, the Executive shall not be entitled to any LTI award. However, the Board may, in its sole discretion, pay either a full or a pro-rated award in certain circumstances, such as death, disability, retirement or any other reason approved by the Board. The Board has, in very limited circumstances, exercised its discretion to enable such schemes to remain on foot after the departure of Senior Executives.

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Section 5 – Statutory Information

5.1 Executive Service Agreements

Chief Executive Officer

Mr Nicolin was recruited as a US-based Executive and his contract reflects this. He has subsequently relocated to Belgium and there has been no substantial change to the terms and conditions of his contract. He is engaged by the Group under an agreement that:

- does not specify a fixed term of engagement;
- provides that the Group may terminate the CEO's engagement upon giving 12 months' notice or payment in lieu and may terminate immediately in the case of cause;
- provides that in certain circumstances, such as a material diminution of responsibility or the CEO ceasing to be the most Senior Executive of Ansell, the CEO may be entitled to a payment equivalent to 12 months' base salary;
- requires the CEO to give the Group at least six months' notice of termination of services; and
- in order to protect the Group's business interests, prohibits the CEO from engaging in any activity that would compete with the Group for a period of 12 months following termination of his engagement for any reason.

The agreement entered into with the CEO has been drafted to comply with the *Corporations Act 2001* regarding the payment of benefits.

Other Executives

Mr Javeed is a Belgium-based Executive whose agreement does not specify a fixed term of employment. He is entitled to a severance fee equal to 12 months' base salary assuming a termination for any reason other than resignation, serious misconduct or serious fault. The services agreement with Mr Javeed includes a non-competition clause which prohibits the CFO from, directly or indirectly, engaging in any activity that would compete with the Group for a period of 12 months following termination of his engagement for any reason. He is required to give the Group six months' prior notice of termination of services.

Mr Salmon was recruited as a US-based Executive and his contract reflects this. He has subsequently relocated to Belgium and there has been no substantial change to the terms and conditions of his contract. His services are engaged by the Group for an unlimited duration. He is entitled to a separation fee upon termination by the Group (other than for serious misconduct or serious fault) equal to 12 months' base salary plus certain other contractual entitlements. The services agreement with Mr Salmon includes a non-competition clause which prohibits him from, directly or indirectly, engaging in any activity that would compete with the Group for a period of 12 months following termination of his engagement for any reason. He is required to give the Group six months' prior notice of termination of services.

Mr Nazareth was domiciled in Malaysia and transferred to the US from July 2019 as part of his new responsibilities. The employment relationship is 'at will' and, as such, the employment relationship does not have a fixed term of employment and may be terminated by either party for any reason. In line with the other Executive KMP's, Mr. Nazareth is entitled to a severance fee equal to 12 months' base salary assuming a termination for any reason other than resignation, performance issues or cause.

5.2 Securities Trading Policy

Ansell's Securities Trading Policy outlines the law relating to insider trading and details the Company's requirements with regards to dealings in Ansell securities. The policy applies to all Directors and employees and aims to prevent the misuse (or perceived misuse) of sensitive information and ensure compliance with insider trading laws. The policy can be found on the Ansell website at www.ansell.com.

5.3 Shareholder Alignment

Mandatory Shareholding Requirements

To encourage alignment with shareholder interests, the Company adopted mandatory shareholding requirements, known as the Share Purchasing Policy (introduced in 2013). This policy requires Directors and executives to hold a multiple of their fee/base salary in Ansell shares over a 10-year period. The current requirement is:

- CEO: 3 x base salary
- Executives: 1 x base salary
- Non-Executive Directors: 2 x annual Director fees,

to be achieved by 2023 or within 10 years of becoming a Director or Executive if appointed after 2013.

Vested but unexercised awards are included in the target assessment. Unvested equity rights held pursuant to the incentive plans are not included in the target assessment.

Voluntary Share Purchase Plan

Ansell has developed a mechanism to enable KMP to regularly purchase Ansell shares, known as the Voluntary Share Purchase Plan (VSPP). While optional, the VSPP facilitates compliance with the Share Purchasing Policy, while complying with the Securities Trading Policy and ASX Listing Rules.

Under the VSPP, a pre-agreed amount of Ansell shares (by value) are acquired monthly on the ASX through a trustee company at the prevailing market price and are transferred into the name of the applicable KMP but are subject to a restriction on dealing until the KMP ceases to hold office.

Shares were purchased on market (at no discount) on behalf of the Directors throughout FY21 pursuant to the VSPP (as shown in Figure 5.1).

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5.4 Current Shareholding

The table below details the movement of shares held by each KMP and the progress of each KMP during FY21 in achieving their respective share ownership goals in accordance with the mandatory shareholder requirements set out in Section 5.3.

Figure 5.1

	Held at 1 July (or Date Appointed KMP)	VSPP Purchases[6]	Other Purchases	Awarded During the Year	Net Movement Due to Other Changes	Held at 30 June	% of Share Ownership Goal Met[7]	Target Year to Comply	Target Year Projected to Comply
Non-Executive Directors									
John A Bevan[2]									
FY21	**29,470**	**2,012**	**–**	**n/a**	**–**	**31,482**	**141%**	**2023**	**COMPLY**
FY20	27,061	2,409	–	n/a	–	29,470	87%	2023	2022
Glenn L L Barnes[1]									
FY21	**n/a**	**n/a**	**–**	**n/a**	**–**	**n/a**	**n/a**	**n/a**	**n/a**
FY20	72,113	543	–	n/a	–	n/a	n/a	n/a	n/a
W Peter Day									
FY21	**30,559**	**–**	**–**	**n/a**	**–**	**30,559**	**266%**	**2023**	**COMPLY**
FY20	30,193	–	366	n/a	–	30,559	168%	2023	COMPLY
Leslie A Desjardins									
FY21	**14,321**	**1,091**	**–**	**n/a**	**–**	**15,412**	**139%**	**2025**	**COMPLY**
FY20	11,667	2,654	–	n/a	–	14,321	81%	2025	2021
Marissa T Peterson									
FY21	**23,647**	**–**	**–**	**n/a**	**–**	**23,647**	**214%**	**2023**	**COMPLY**
FY20	23,647	–	–	n/a	–	23,647	134%	2023	COMPLY
William G Reilly[3]									
FY21	**58,980**	**–**	**–**	**n/a**	**(7,500)**	**51,480**	**525%**	**2027**	**COMPLY**
FY20	49,296	–	–	30,811	(21,127)	58,980	373%	2027	COMPLY
Christina M Stercken									
FY21	**5,213**	**968**	**800**	**n/a**	**–**	**6,981**	**71%**	**2027**	**2023**
FY20	3,216	1,997	–	n/a	–	5,213	33%	2027	2025
Christine Y Yan									
FY21	**2,755**	**1,452**	**–**	**n/a**	**–**	**4,207**	**43%**	**2029**	**2025**
FY20	629	2,126	–	n/a	–	2,755	17%	2029	2026
Nigel D Garrard[4]									
FY21	**5,000**	**–**	**2,150**	**n/a**	**–**	**7,150**	**73%**	**2030**	**2022**
FY20	3,200	–	1,800	n/a	–	5,000	32%	2030	2026
Executive Director									
Magnus R Nicolin									
FY21	**278,677**	**–**	**–**	**149,076**	**(136,987)**	**290,766**	**261%**	**2023**	**COMPLY**
FY20	265,930	–	–	143,519	(130,772)	278,677	172%	2023	COMPLY
Other Executives									
Zubair Javeed[5]									
FY21	**–**	**–**	**–**	**52,459**	**(25,984)**	**26,475**	**134%**	**2029**	**COMPLY**
FY20	–	–	–	–	–	–	0%	2029	2029
Neil Salmon									
FY21	**89,829**	**–**	**–**	**53,560**	**(86,976)**	**56,413**	**265%**	**2023**	**COMPLY**
FY20	55,046	–	–	57,684	(22,901)	89,829	312%	2023	COMPLY
Darryl Nazareth									
FY21	**26,296**	**–**	**–**	**25,678**	**(15,319)**	**36,655**	**239%**	**2024**	**COMPLY**
FY20	10,358	–	–	24,947	(9,009)	26,296	118%	2024	COMPLY

1. Mr Barnes retired from the Ansell Board of Directors on 14 November 2019.
2. Mr Bevan's appointment as Chairman during FY20 increased his target shareholding.
3. Mr Reilly's shares awarded in FY20 relate to the FY17 LTI award in respect to his prior employment as an executive at Ansell.
4. Mr Garrard was appointed as a Non-Executive Director on 1 March 2020.
5. Mr Javeed joined the Company and became a KMP on 29 April 2019.
6. Purchases made under the Voluntary Share Purchase Plan (see Section 5.3).
7. The percentage of ownership goals met are based upon a multiple of an individual's base pay or directors fees (as applicable). Calculation uses base pay at 30 June 2021 and 12-month average share price and FX rates.

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5.5 Equity Instruments

The table below details the movement in the number of PSRs over ordinary shares of Ansell Limited held by the CEO and Other Executive KMPs during FY21.

Figure 5.2

	Held at 1 July or Date Appointed	PSRs Granted During the Year[1]	PSRs Vested During the Year[2]	Forfeited During the Year[2]	Held at 30 June
PSRs*					
Magnus R Nicolin					
FY21	**644,578**	**161,354**	**(129,416)**	**(104,186)**	**572,330**
FY20	733,525	207,888	(142,480)	(154,355)	644,578
Zubair Javeed[3]					
FY21	**122,232**	**56,146**	**(50,000)**	**–**	**128,378**
FY20	50,000	72,232	–	–	122,232
Neil Salmon					
FY21	**265,070**	**60,542**	**(51,636)**	**(41,570)**	**232,406**
FY20	306,090	77,888	(57,076)	(61,832)	265,070
Darryl Nazareth					
FY21	**128,964**	**36,974**	**(23,339)**	**(18,789)**	**123,810**
FY20	133,306	47,630	(24,947)	(27,025)	128,964

1. PSRs were granted during FY21 pursuant to the FY21-FY23 LTI Plan, calculated by way of a face value methodology using an average price of Ansell Limited Shares on the ASX over a 90-day period to 18 August 2020, this being A$34.95 (FY20: 90-day period to 7 August 2019, this being A$26.45). The number of PSRs granted for the FY19-FY21 LTI Plan was determined by using the average price of Ansell Limited Shares on the ASX over a 90-day period to 14 August 2018 discounted by the dividend yield and will vest in August 2021.
2. PSRs vested and lapsed during FY21 pursuant to the FY18-FY20 LTI Plan (FY20: FY17-FY19 LTI Plan).
3. Mr Javeed joined the Company and became a KMP on 29 April 2019 and was granted 50,000 PSRs on 29 April 2019 as part of his sign-on bonus which vested on 29 April 2021.

* Grants are recorded at maximum.

5.6 Executive Statutory Remuneration (US$)

					STI[4]		LTI[5]	
Name	Year	Base Salary[1]	Retirement Benefits[2]	Other[3]	Cash	Restricted Shares	Equity	Total Earnings
Executive Director								
Magnus R Nicolin[6]	**2021**	**1,066,000**	**522,493**	**142,214**	**968,394**	**968,394**	**7,463,574**	**11,131,069**
	2020	1,066,000	439,999	150,205	795,103	795,103	1,837,457	5,083,867
Other Executive KMPs								
Zubair Javeed	**2021**	**565,522**	**62,930**	**442,110**	**424,892**	**263,432**	**1,144,769**	**2,904,655**
	2020	525,168	58,336	467,608	393,876	128,403	191,874	1,765,265
Neil Salmon	**2021**	**610,881**	**68,209**	**33,107**	**458,161**	**235,953**	**2,265,706**	**3,672,017**
	2020	566,289	82,414	31,269	424,717	127,415	756,674	1,988,778
Darryl Nazareth	**2021**	**439,627**	**94,646**	**27,101**	**285,758**	**148,593**	**1,184,675**	**2,180,400**
	2020	439,627	97,693	32,766	285,758	85,727	365,674	1,307,245

1. Base salary includes the salary earned by the individual in FY21. The increases in base salary for Executives are based on performance and external benchmarking of similar positions in the jurisdictions in which the Executives are based. Thus, none of the Executives received any pay increase in FY21. Both Mr Salmon and Mr Javeed are remunerated in Euros and any US$ movement above reflects foreign exchange conversion impacts.
2. Retirement benefits include all the retirement benefits earned by the individual in the current year. Mr Nicolin's retirement benefits are based on his base salary plus prior year STI achievement and will consequently vary from year to year.
3. Other includes the cost to the Company of benefits such as motor vehicle, expatriation and relocation expenses, insurance, expat tax equalisation payments, retrospective base salary and other amounts. Mr Javeed's other benefits include his sign-on bonus, which includes the value of accrued PSRs that were granted on 29 April 2019 and vested on 29 April 2021.
4. 2021 STI represents amounts payable under the FY21 Short Term Incentive Plan. The amounts shown in the table above are pre-tax and the number of restricted shares granted is calculated based on the post-tax STI award basis.
5. 2021 LTI includes amounts provided in respect of the Group's LTI Plans.
6. As a result of the CEO succession announcement on 8 June 2021, according to AASB 2 *Share-based payments*, the Group recognised $1,942,290 in FY21 as the acceleration effect of this modification to the terms of Mr Nicolin's granted LTI plans in a manner that is beneficial to him as an employee. Refer to Section 9 for Mr Nicolin's key terms of retirement and ongoing employment.

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Section 6 – Non-Executive Directors

6.1 Policy and Approach

Overview of policy

(a) Structured with a fixed fee component only.

(b) Fees are not linked to the performance of Ansell, so that independence and impartiality are maintained.

(c) Director fees are paid in US dollars. However, Directors may elect to be paid in their local currencies (subject to applicable currency exchange rates).

(d) Board and Committee fees are set by reference to a number of relevant considerations including:

- accountabilities and responsibilities attaching to the role of Director;
- time commitment expected of Directors;
- fees paid by peer companies;
- independent advice received from external advisers;
- the global nature of our businesses (to ensure that the Directors' fee attracts and retains the best international Directors); and
- the requirement to travel internationally to familiarise oneself with international operations and for required meetings.

Aggregate fees approved by shareholders

The current aggregate fee pool for Non-Executive Directors of US$1,600,000 was approved by shareholders at the 2014 AGM. The fee pool in US$ reflects the fact that business operations are run from outside Australia.

Base fees for FY21

Fees for Non-Executive Directors during FY21 were as follows:

Base Fees (Board)		
Non-Executive Chairman	US$320,000 (inclusive of Committee fees)	
Non-Executive Director	US$116,500	
Committee Fees	**Committee Chair**	**Committee Member**
Audit and Compliance Committee	US$30,000	US$12,000
Human Resources Committee	US$30,000	US$12,000
Sustainability and Risk Committee	US$30,000	US$12,000
Governance Committee*		US$6,000

* Fees for Governance Committee membership are incorporated in Human Resources Committee fees. Where a member of the Governance Committee is not a member of the Human Resources Committee, a pro rated fee is paid.

Directors are permitted to be paid additional fees for special duties, including fees paid for serving on ad hoc projects or transaction focused committees.

Directors are entitled to be reimbursed for all business related expenses, including travel expenses incurred performing their duties.

A travel allowance of US$15,000 per annum is paid to each Non-Executive Director, which is in addition to the above fees. Due to the COVID-19 pandemic the Non-Executive Directors were unable to travel and as such no travel allowance was paid during the year.

Superannuation contributions are made on behalf of the Non-Executive Directors at a rate of 9.5% as required by Australian law. For non-Australian based Directors, these payments are pro rated for the period of time spent in Australia. The Directors' fees above are inclusive of any superannuation payments payable by law.

FY21 – no fee change for FY21.

6.2 Non-Executive Directors' Statutory Remuneration (US$)

Figure 6.1

Details of Non-Executive Directors' remuneration are set out in the table below:

Non-Executive Directors	Year	Directors' Fees[1]	Superannuation[2]	Total
John A Bevan (Chairman)[3]	**FY21**	**320,000**	**–**	**320,000**
	FY20	269,262	9,905	279,167
Glenn L L Barnes (Former Chairman)[4]	**FY21**	**n/a**	**n/a**	**n/a**
	FY20	139,583	–	139,583
W Peter Day	**FY21**	**150,228**	**14,272**	**164,500**
	FY20	161,644	15,356	177,000
Leslie A Desjardins[5]	**FY21**	**158,500**	**–**	**158,500**
	FY20	170,691	309	171,000
Marissa T Peterson[5]	**FY21**	**158,500**	**–**	**158,500**
	FY20	170,692	308	171,000
William G Reilly[5]	**FY21**	**140,500**	**–**	**140,500**
	FY20	152,724	276	153,000
Christina M Stercken[5]	**FY21**	**140,500**	**–**	**140,500**
	FY20	152,724	276	153,000
Christine Y Yan[5]	**FY21**	**140,500**	**–**	**140,500**
	FY20	152,724	276	153,000
Nigel D Garrard[6]	**FY21**	**140,500**	**–**	**140,500**
	FY20	45,053	4,280	49,333
Total Non-Executive Directors' remuneration	**FY21**	**1,349,228**	**14,272**	**1,363,500**
	FY20	1,415,097	30,986	1,446,083

1. Directors Fees include Base and Committee Fees plus travel allowances less Superannuation (see footnote (2) below). All Fees are expressed in US$. Due to the COVID-19 pandemic and the cessation of travel, no travel allowance was paid during the year. The methodology of converting the fees into the base currency of the Directors has not changed.
2. Superannuation contributions are made on behalf of the Non-Executive Directors at a rate of 9.5% as required by Australian law. Some Australian directors have elected to opt-out of superannuation guarantee payments in accordance with an ATO ruling. For non-Australian based Directors, these payments are pro-rated for the period of time spent in Australia.
3. Mr Bevan was elected as Chairman, effective from 15 November 2019 and his Directors Fees and associated entitlements in FY20 reflect a part year entitlement as Deputy Chairman and a part year entitlement as Chairman.
4. Mr Barnes retired from the Board on 14 November 2019 and his Directors fees and associated entitlements reflect a part year entitlement up to his retirement date in FY20.
5. Non-Australian based Non-Executive Directors Mrs Desjardins, Mrs Peterson, Mr Reilly, Mrs Stercken and Ms Yan did not attend any meetings in Australia in FY21 and were therefore not affected by footnote (2) above relating to Superannuation.
6. Mr Garrard was appointed on 1 March 2020 and his Directors fees and associated entitlements reflect a part year entitlement in FY20 from the date of his appointment.

The composition of the Committees is summarised in the Report by the Directors.

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Section 7 – Group Performance and Remuneration Outcomes

7.1 Group Performance

The five-year performance history of the Group is summarised below.

Figure 7.1

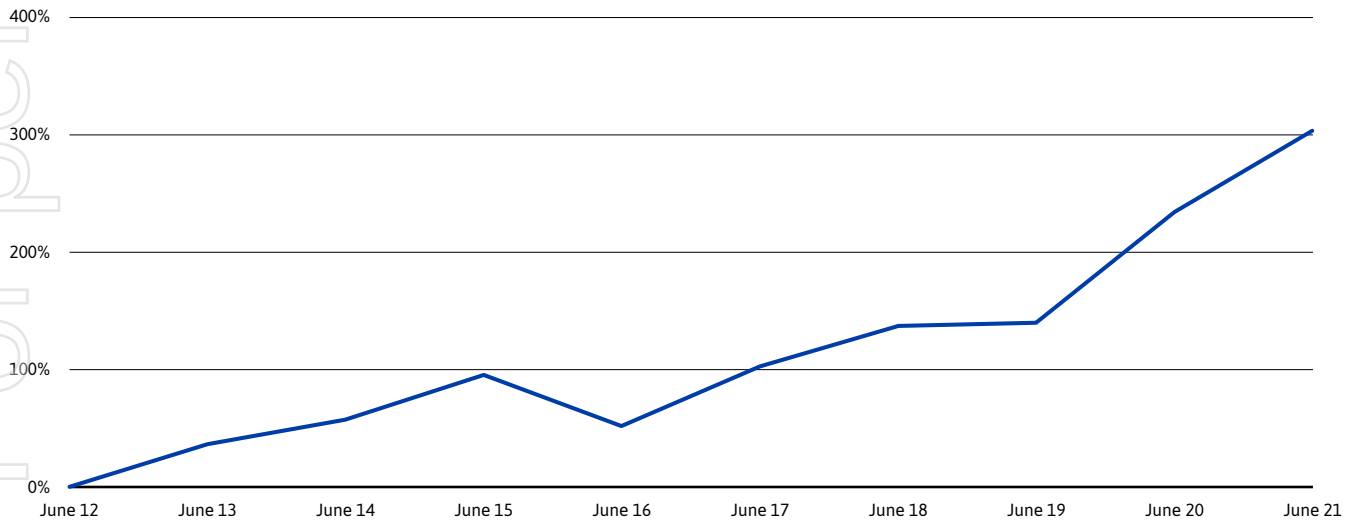
	2017[3]	2018 Adjusted[4]	2019 Adjusted[4]	2020 Restated[5]	2021
Sales (US$m)	1,599.7	1,489.8	1,499.0	1,613.7	**2,026.9**
EBIT (US$m)	217.8	193.1	202.8	216.7	**338.0**
Profit Attributable (US$m)	147.7	146.7	150.9	156.6	**246.7**
Operating Cash Flow (US$m)	146.0	104.5	164.7	191.7	**51.4**
Earnings Per Share (US cents)	100.1	102.0	111.5	120.2	**192.2**
Dividends Per Share[1] (US cents)	44.0	45.5	46.75	50.0	**76.80**
Ansell share price[2] (A$)	22.68	27.19	26.85	36.70	**43.51**

1. Dividends have been declared in US$ since Ansell adopted the US$ as its reporting currency in FY14.
2. Share price is the closing price on the last trading day of each financial year.
3. Represents total Group statutory results before the sale of the Sexual Wellness business.
4. Adjusted results are continuing operations adjusted for the Transformation Program and other one-off costs.
5. 2020 results have been restated on account of the FY21 change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements.

7.2 Cumulative Total Shareholder Return (TSR)

TSR is the total shareholder return expressed as a percentage representing the growth received by an investor from holding shares in Ansell, assuming USD dividends are converted to AUD and reinvested in Ansell's shares. The chart below shows the TSR performance as a cumulative percentage from a starting value at 1 July 2012 to a finishing value on 30 June 2021.

Figure 7.2 Ansell TSR Performance



7.3 STI/LTI Payouts as Percentage of Maximum

CEO Incentive Outcomes	FY17	FY18	FY19	FY20	FY21
STI (% of maximum)	67%	37%	51%	66%	**81%**
LTI (% of maximum)	0%	42%	48%	55%	**91%**

Section 8 – Governance

8.1 Role of the Human Resources Committee (HRC)

Board

The Board is responsible for:

- defining Ansell's remuneration strategy; and
- determining the structure and quantum of remuneration for the CEO and Other Executives that support and drive the achievement of Ansell's strategic objectives.

The Board has an overarching discretion with respect to the awards given under Ansell's incentive plans.

Consultation with shareholders and other stakeholders

Remuneration consultants and other external advisers

- Provide independent advice, information and recommendations relevant to remuneration decisions.
- In performing its duties and making recommendations to the Board, the Chairman of the HRC seeks independent advice from external advisers on various remuneration-related matters.
- Any advice or recommendations provided by external advisers are used to assist the Board – they do not substitute for the Board and HRC process.

HRC

The HRC is delegated responsibility by the Board to review and make recommendations on the remuneration policy, strategy and structure for Ansell's Board members, the CEO and Other Executives.

The HRC has in place a process of engaging and seeking independent advice from external remuneration advisers and ensures remuneration recommendations in relation to Other Executives are free from undue influence by management.

Management

Provides information relevant to remuneration decisions and makes recommendations to the HRC.

Obtains remuneration information from external advisers to assist the HRC (i.e. market data, legal advice, accounting advice, tax advice).

Remuneration consultants and other external advisers

- Management may seek its own independent advice with respect to information and recommendations relevant to remuneration decisions.

8.2 External Consultants

In the previous year, the HRC and Management undertook a review of external consultants resulting in the engagement of PwC to provide independent advice on remuneration, which includes provision of an Australian market practice perspective on management's international remuneration proposals, disclosure in the Remuneration Report and to provide regular updates on Australian regulatory and market trends. No remuneration recommendations as defined in Section 9B of the *Corporations Act 2001* were provided by PwC.

8.3 Shareholder Engagement

The HRC maintains a regular dialogue with major shareholders, relevant institutional investor bodies and proxy advisers. The views and opinions expressed are considered when determining remuneration. The HRC monitors trends and developments in corporate governance and market practice to ensure the structure of Executive remuneration remains appropriate. The HRC would undertake a consultation process in advance of any material changes to the remuneration policy.

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Section 9 – Looking Ahead

In FY21, in part triggered by our leadership succession journey and the evolving stakeholder expectations, we completed a thorough review of our remuneration framework which is resulting in changes being implemented for FY22. The HRC Chair led a systematic approach during which input was sought from both internal stakeholders and external subject matter experts. The Board endorsed the following core principles as its reference points in any plan design decisions:

- **Performance Accountability:** whereby the largest portion of the total package is 'at risk', determined by appropriately challenging performance objectives. A suitable mix of financial and non-financial performance indicators will be applied, both short-term and long-term. It is thereby understood that the Board has a high sensitivity to financial and quantifiable performance metrics, supplemented with Board discretion to address unforeseen, unplanned or uncontrollable circumstances.
- **Think and Act like Shareholders:** reinforcing the long-term focus through significant equity compensation and market leading shareholder requirements and encouraging sensible risk taking aimed at sustainable growth.
- **Transparent Governance:** meaning that the Board strives for simplicity in plan design, which is easy to explain and communicate and commits to high quality disclosure of executive remuneration policies and outcomes in its remuneration report.
- **Stakeholder Engagement**: the Chairman and HRC Chair will continue to pro-actively reach out to institutional investors, proxy advisers and other interested parties to explain Ansell's executive remuneration policies. The Board also confirms its commitment to maintain a continuous awareness of societal sensitivities in all geographies Ansell employs executive talent.

The key features of our revised executive remuneration policies are summarised as follows:

- First of all, we maintain the same total direct compensation approach with three core components: a fixed remuneration paid on regular intervals, a short-term incentive with a 12 month performance horizon and a long-term incentive with a 3 year performance horizon.
- In terms of delivery methodology, any short-term incentive will for all executives be paid 50% in cash and 50% in restricted shares with a 2 year restriction period. On a total direct compensation level, this means that at least half of the executive remuneration will be paid in equity, which emphasises the commitment to think and act like shareholders with a long-term lens.
- The STI metrics remain similar as in prior years with emphasis on top and bottom line growth, however greater weighting is now placed on our profitability measure and more room is created for individual contributions and subsequent differentiation. These individual contributions will be measured through a functional and individual scorecard, which allows for the introduction of non-financial and ESG goals in line with the corporate sustainability agenda. The FY22 STI weightings have consequently been updated as follows:

	Performance Measures			
Executive	**Sales**	**EBIT**	**Individual Objectives**	**Total**
All Executives	20%	50%	30%	100%

- Furthermore, the short-term incentive upside potential is reduced by 25% to shift more of the focus towards long-term sustainable performance, i.e. the maximum STI payment has been brought down from 200% of target to 150% of target for all executives. In order to maintain balance, on the other end of the spectrum, the incentive payment will now start at 40% of target when threshold performance is met instead of the historically applied 0%.
- The LTI metrics remain centered around EPS growth (70% weight), Organic Sales Growth (30% weight) and ROCE (operating as a gateway only); the equity instrument Ansell uses continues to be Performance Share Rights with a three-year cliff vesting subject to the achievement of the applicable performance conditions.
- The Ansell executives continue to be required to maintain a minimum level of shareholding in the Company (3 times fixed remuneration for the CEO, 1 time fixed pay for the other executives), but the time to meet this requirement has been shortened from 10 years to 6 years.

CEO Succession

As previously announced, Magnus Nicolin will be retiring from the Company in December 2021. After an extensive global search, which included both internal and external candidates, the Board appointed Neil Salmon as new Global CEO, effective 1 September 2021. The remuneration details of Mr Salmon, as well as the termination arrangements of Mr Nicolin, have been shared to the ASX on 8 June 2021.

At a total direct compensation level, assuming a maximum payout of all components, the package of the new CEO is approximately 36% lower than that of the outgoing CEO.

The total direct compensation of the new CEO is broken down as follows:

- Fixed annual remuneration expressed in EUR and paid in 12 equal monthly installments.
- Short-term incentive opportunity at maximum of 150% of the fixed annual remuneration.
- Long-term incentive opportunity at maximum of 280% of the fixed annual remuneration.

Next to these three core components, the new CEO continues to benefit from the professional and private use of a company leased car, a risk and retirement savings plan, and income tax filing and financial planning services provided for by the Company's preferred advisor.

The key terms of Mr Nicolin's retirement and ongoing employment are as follows:

- Mr Nicolin will cease to be Managing Director and CEO with effect from 1 September 2021 and retire on 31 December 2021.
- Mr Nicolin is entitled to the STIP and LTIP based on the following terms:
  - FY22 STIP: on a pro-rated basis for the period 1 July 2021 through to retirement date, payable in February 2022;
  - FY20-22 LTIP: for the full performance period (1 July 2019 – 30 June 2022), payable in October 2022;
  - FY21-23 LTIP: for the full performance period (1 July 2020 – 30 June 2023), payable in October 2023; and
  - FY22-24 LTIP: on a pro-rated 6/36 basis (1 July 2021 – 31 December 2021), payable in October 2024.

As a result, according to AASB 2 *Share-based payments*, the Group recognised $1,942,290 in FY21 as the acceleration effect of this modification to the terms of Mr Nicolin's granted LTI plans in a manner that is beneficial to him as an employee.

Section 10 – Glossary

Board means the Board of Directors of Ansell Limited.

CAGR means Compound Average Growth Rate, which as used in this document measures the average year over year growth rate of a financial metric over the specified time period.

Cash Conversion is defined as a ratio expressed as a percentage of Net Receipts from Operations (as reported in the Group's Consolidated Statement of Cash Flow) to EBITDA (refer below)

Constant currency refer to page 4 of this Report.

Corporations Act means the *Corporations Act 2001* (Cth).

EBIT means all profits of Ansell before taking into account interest and income taxes.

EBITDA means EBIT before Depreciation and Amortisation.

EMEA means Europe, Middle East and Africa.

EPS means Earnings Per Share, which means the portion of Ansell's profit that is allocated to each outstanding ordinary fully paid share.

Executive or **Group Executive** in this Report refers to the CEO and Other Executives.

FY17 means the 2017 financial year commencing on 1 July 2016 and ending on 30 June 2017. **FY18** means the 2018 financial year commencing on 1 July 2017 and ending on 30 June 2018. **FY19** means the 2019 financial year commencing on 1 July 2018 and ending on 30 June 2019. **FY20** means the 2020 financial year commencing on 1 July 2019 and ending on 30 June 2020. **FY21** means the 2021 financial year commencing on 1 July 2020 and ending on 30 June 2021. **FY22** means the 2022 financial year commencing on 1 July 2021 and ending on 30 June 2022.

KMP means the Key Management Personnel of Ansell, which comprises all Directors (Executive and Non-Executive) and those Executives who have authority and responsibility for planning, directing and controlling the activities of the Group.

LAC means Latin American and Caribbean

Long-Term Incentive (LTI) means the Ansell Long-Term Incentive Plan, which is subject to the rules of the Ansell Long-Term Incentive Plan as periodically approved by the Board.

Operating Cash Flow is defined as Net Receipts from Operations per the Consolidated Statement of Cash Flows adjusted for net expenditure on property, plant equipment, intangible assets, lease repayments, net interest and tax.

Organic Sales Growth is defined as a 3-year compound annualised sales growth on a constant currency basis (as described above) after excluding the impact of acquisitions, divestments and exited products.

Other Executives means the group of people who are KMP, but are not Non-Executive Directors or the CEO.

Profit Attributable means those profits of the Company that are available to the shareholders for distribution.

PSRs means Performance Share Rights.

Realised pay means the pay actually received/receivable by the Executive during the financial year, including salary, benefits, STI in relation to the relevant financial year and any equity incentives that vested in relation to the completion of the relevant financial year. Equity incentives were valued using the values of the shares determined as at the vesting date.

ROCE means Return on Capital Employed, which is the amount of EBIT returned as a percentage of the average funds that are employed (both equity and debt used in the business). ROCE for remuneration outcomes is adjusted for acquisitions.

ROCE gateway means the ROCE required for the successful achievement of the relevant award.

Short-Term Incentive Plan (STI) means the Ansell Short-Term Incentive Plan, which is subject to the rules of the Ansell Short-Term Incentive Plan as periodically approved by the Board.

TSR means the total shareholder return expressed as a percentage representing the growth received by an investor from holding shares in Ansell, assuming USD dividends are converted to AUD and reinvested in Ansell's shares.

TSR (A$) means Total Shareholder Return calculated in Australian dollars.

Working capital is the balance as defined in Note 7 Working Capital of the Group's audited Financial Statements.

WACC means the Weighted Average Cost of Capital, which is a calculation of the average cost to Ansell of the debt and equity capital employed in the business.

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Consolidated Income Statement

of Ansell Limited and Subsidiaries for the year ended 30 June 2021

	Note	2021 US$m	2020^ Restated US$m
Revenue			
Sales revenue	2, 3(b)	**2,026.9**	1,613.7
Expenses			
Cost of goods sold		**(1,216.9)**	(981.0)
Distribution		**(86.4)**	(76.4)
Selling, general and administration		**(393.7)**	(339.6)
Total expenses, excluding financing costs		**(1,697.0)**	(1,397.0)
Operating profit		**329.9**	216.7
Share of profit of equity accounted investment, net of tax	8(a)	**8.1**	–
Profit before net financing costs and income tax expense		**338.0**	216.7
Net financing costs	3(a)	**(19.9)**	(17.4)
Profit before income tax		**318.1**	199.3
Income tax expense	4(a)	**(69.8)**	(41.3)
Profit for the period		**248.3**	158.0
Profit for the period is attributable to:			
Ansell Limited shareholders		**246.7**	156.6
Non-controlling interests		**1.6**	1.4
Profit for the period		**248.3**	158.0

	Note	2021 US cents	2020^ Restated US cents
Earnings Per Share:			
Basic Earnings Per Share	5	192.2	120.2
Diluted Earnings Per Share	5	189.6	118.4

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

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Consolidated Statement of Comprehensive Income

of Ansell Limited and Subsidiaries for the year ended 30 June 2021

	Note	2021 US$m	2020^ Restated US$m
Profit for the period		**248.3**	158.0
Other comprehensive income			
Items that will not be reclassified to the Income Statement:			
Retained earnings			
Remeasurement of defined benefit superannuation/post-retirement health benefit plans	14(a)	**0.7**	(2.3)
Tax benefit on items that will not be subsequently reclassified to the Income Statement	4(a)	**(0.2)**	5.1
Total items that will not be reclassified to the Income Statement		**0.5**	2.8
Items that may subsequently be reclassified to the Income Statement:			
Foreign currency translation reserve			
Net exchange differences on translation of financial statements of foreign subsidiaries		**24.4**	(29.2)
Hedging reserve			
Movement in effective cash flow hedges for the year		**0.4**	(3.6)
Movement in time value of options for the year		**0.4**	(0.2)
Tax benefit on items that may subsequently be reclassified to the Income Statement	4(a)	**–**	0.9
Total items that may subsequently be reclassified to the Income Statement		**25.2**	(32.1)
Other comprehensive income for the period, net of tax where applicable		**25.7**	(29.3)
Total comprehensive income for the period		**274.0**	128.7
Attributable to:			
Ansell Limited shareholders		**272.1**	128.2
Non-controlling interests		**1.9**	0.5
Total comprehensive income for the period		**274.0**	128.7

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

of Ansell Limited and Subsidiaries as at 30 June 2021

	Note	2021 US$m	2020^ Restated US$m
Current assets			
Cash and cash equivalents	6(a)	**240.2**	408.9
Trade and other receivables	7(a)	**274.2**	181.2
Derivative financial instruments	17(c)	**3.9**	5.7
Inventories	7(b)	**611.2**	340.1
Other current assets		**37.4**	25.1
Total current assets		**1,166.9**	961.0
Non-current assets			
Trade and other receivables		**1.5**	4.1
Derivative financial instruments	17(c)	**1.1**	1.8
Investments	8	**21.9**	11.9
Property, plant and equipment	9	**294.9**	251.5
Right-of-use assets	10(a)	**61.1**	55.5
Intangible assets	11	**1,077.1**	1,054.9
Deferred tax assets	4(b)	**83.1**	68.5
Retirement benefit assets	14(a)	**2.8**	2.1
Other non-current assets		**27.3**	26.3
Total non-current assets		**1,570.8**	1,476.6
Total assets		**2,737.7**	2,437.6
Current liabilities			
Trade and other payables	7(c)	**402.9**	254.7
Derivative financial instruments	17(d)	**5.1**	6.7
Interest bearing liabilities	12	**–**	50.0
Lease liabilities	10(b)	**20.8**	18.3
Provisions	13	**92.5**	66.4
Current tax liabilities		**28.6**	12.3
Total current liabilities		**549.9**	408.4
Non-current liabilities			
Trade and other payables		**0.8**	1.6
Derivative financial instruments	17(d)	**–**	0.8
Interest bearing liabilities	12	**451.7**	469.9
Lease liabilities	10(b)	**43.0**	39.3
Provisions	13	**12.1**	9.3
Retirement benefit obligations	14(a)	**15.7**	14.9
Deferred tax liabilities	4(c)	**72.3**	73.2
Other non-current liabilities		**27.6**	24.4
Total non-current liabilities		**623.2**	633.4
Total liabilities		**1,173.1**	1,041.8
Net assets		**1,564.6**	1,395.8
Equity			
Contributed equity	15(a)	**769.0**	806.0
Reserves		**(84.6)**	(120.2)
Retained profits		**866.8**	698.1
Total equity attributable to Ansell Limited shareholders		**1,551.2**	1,383.9
Non-controlling interests		**13.4**	11.9
Total equity		**1,564.6**	1,395.8

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

of Ansell Limited and Subsidiaries for the year ended 30 June 2021

	Attributable to Ansell Limited shareholders								
2021	**Contributed equity US$m**	**Share-based payment reserve US$m**	**Hedging reserve US$m**	**Other reserve US$m**	**Foreign currency translation reserve US$m**	**Retained profits US$m**	**Total US$m**	**Non-controlling interests US$m**	**Total equity US$m**
Balance as at 30 June 2020	806.0	63.4	(1.9)	11.5	(193.2)	698.1	1,383.9	11.9	1,395.8
Comprehensive income									
Profit for the year	–	–	–	–	–	246.7	246.7	1.6	248.3
Other comprehensive income	–	–	0.8	–	24.1	0.5	25.4	0.3	25.7
Total comprehensive income	–	–	0.8	–	24.1	247.2	272.1	1.9	274.0
Transactions with owners									
Share-based payments expense	–	30.1	–	–	–	–	30.1	–	30.1
Transfer from/(to) retained profits	–	–	–	1.6	–	(1.6)	–	–	–
Shares used to settle the Group's Long-Term Incentive plans	–	(21.0)	–	–	–	–	(21.0)	–	(21.0)
Share buybacks	(14.3)	–	–	–	–	–	(14.3)	–	(14.3)
Purchase of treasury shares	(22.7)	–	–	–	–	–	(22.7)	–	(22.7)
Dividends paid	–	–	–	–	–	(76.9)	(76.9)	(0.4)	(77.3)
Total transactions with owners	(37.0)	9.1	–	1.6	–	(78.5)	(104.8)	(0.4)	(105.2)
Total equity as at 30 June 2021	769.0	72.5	(1.1)	13.1	(169.1)	866.8	1,551.2	13.4	1,564.6

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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	Attributable to Ansell Limited shareholders								
2020^ Restated	**Contributed equity US$m**	**Share-based payment reserve US$m**	**Hedging reserve US$m**	**Other reserve US$m**	**Foreign currency translation reserve US$m**	**Retained profits US$m**	**Total US$m**	**Non-controlling interests US$m**	**Total equity US$m**
Balance as at 30 June 2019	873.9	67.4	1.0	11.0	(164.9)	610.0	1,398.4	12.0	1,410.4
Change in accounting policy upon adoption of:									
– AASB 16 *Leases* net of tax	–	–	–	–	–	(4.1)	(4.1)	–	(4.1)
– IFRIC Agenda Decision^	–	–	–	–	–	(5.5)	(5.5)	–	(5.5)
Adjusted balance as at 1 July 2019	**873.9**	**67.4**	**1.0**	**11.0**	**(164.9)**	**600.4**	**1,388.8**	**12.0**	**1,400.8**
Comprehensive income									
Profit for the year	–	–	–	–	–	156.6	156.6	1.4	158.0
Other comprehensive income	–	–	(2.9)	–	(28.3)	2.8	(28.4)	(0.9)	(29.3)
Total comprehensive income	**–**	**–**	**(2.9)**	**–**	**(28.3)**	**159.4**	**128.2**	**0.5**	**128.7**
Transactions with owners									
Share-based payments expense	–	10.3	–	–	–	–	10.3	–	10.3
Transfer (to)/from retained profits	–	–	–	0.5	–	(0.5)	–	–	–
Shares used to settle the Group's Long-Term Incentive	–	(14.3)	–	–	–	–	(14.3)	–	(14.3)
Share buybacks	(67.9)	–	–	–	–	–	(67.9)	–	(67.9)
Dividends paid	–	–	–	–	–	(61.2)	(61.2)	(0.6)	(61.8)
Total transactions with owners	**(67.9)**	**(4.0)**	**–**	**0.5**	**–**	**(61.7)**	**(133.1)**	**(0.6)**	**(133.7)**
Total equity as at 30 June 2020	**806.0**	**63.4**	**(1.9)**	**11.5**	**(193.2)**	**698.1**	**1,383.9**	**11.9**	**1,395.8**

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

of Ansell Limited and Subsidiaries for the year ended 30 June 2021

	Note	2021 US$m	2020^ Restated US$m
Cash flows related to operating activities			
Receipts from customers		**1,947.0**	1,625.9
Payments to suppliers and employees		**(1,707.2)**	(1,305.0)
Net receipts from operations		**239.8**	320.9
Income taxes paid		**(67.0)**	(34.2)
Net cash provided by operating activities	6(b)	**172.8**	286.7
Cash flows related to investing activities			
Payments for businesses, net of cash acquired		**(0.3)**	(0.4)
Payments for property, plant, equipment and intangible assets		**(80.4)**	(60.6)
Payments for brand names		**(2.3)**	–
Payments for investments		**(1.7)**	(11.9)
Proceeds from the sale of property, plant and equipment		**–**	2.3
Net cash used in investing activities		**(84.7)**	(70.6)
Cash flows related to financing activities			
Proceeds from borrowings		**2.0**	34.8
Repayments of borrowings		**(93.3)**	(52.4)
Repayments of lease liabilities		**(20.8)**	(20.3)
Payments for share buybacks		**(14.3)**	(67.9)
Payments for shares acquired to settle the Group's Long-Term Incentive plans		**(21.0)**	(14.3)
Payments for purchases of treasury shares		**(22.7)**	–
Dividends paid – Ansell Limited shareholders		**(76.9)**	(61.2)
Dividends paid – Non-controlling interests		**(0.4)**	(0.6)
Interest received		**1.3**	5.3
Interest on interest bearing liabilities and financing costs paid		**(19.7)**	(20.2)
Interest paid on lease liabilities		**(1.7)**	(1.5)
Net cash used in financing activities		**(267.5)**	(198.3)
Net (decrease)/increase in cash and cash equivalents		**(179.4)**	17.8
Cash and cash equivalents at the beginning of the financial year		**408.9**	397.5
Effect of movements in exchange rates on cash held		**10.7**	(6.4)
Cash and cash equivalents at the end of the financial year	6(a)	**240.2**	408.9

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

of Ansell Limited and Subsidiaries for the year ended 30 June 2021

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1. Summary of Significant Accounting Policies

General

Ansell Limited (the 'Company') is a company domiciled in Australia. The Company and its subsidiaries (together referred to as the 'Group') is a global leader in protection solutions. The Group is a for-profit entity and designs, develops and manufactures a wide range of hand, arm and body protection solutions and clothing and is organised around two Global Business Units (GBUs) as detailed in Note 2 Segment Information.

- Healthcare GBU
- Industrial GBU

Statement of Compliance

The Financial Report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The financial report of the Group also complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board ('IFRS' or 'IAS').

The consolidated financial statements were authorised for issue by the Board of Directors on 24 August 2021.

Basis of Accounting

The Financial Report is presented in United States dollars and on the historical cost basis except that assets and liabilities in respect of derivative financial instruments and available-for-sale financial assets are stated at their fair value. The Financial Report has been prepared on a going concern basis, which assumes the continuity of normal operations.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the Instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

A summary of the significant accounting policies of the Group is disclosed below. The accounting policies have been applied consistently by all entities in the Group.

Principles of Consolidation

The financial statements of the Group include the Company being the parent entity, and its subsidiaries.

The financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at balance date and the results of all subsidiaries for the year then ended. Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Results of subsidiaries are included in the Income Statement from the date on which control commences and continue to be included until the date control ceases to exist. The effects of all transactions between entities in the Group are eliminated in full. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Income Statement and Statement of Financial Position respectively.

Foreign Currency

Transactions

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of each transaction. At balance date, amounts payable and receivable in foreign currencies are converted at the rates of exchange ruling at that date, with any resultant gain or loss recognised in the Income Statement except when deferred in equity as qualifying cash flow hedges.

Translation

The financial statements of overseas subsidiaries are maintained in their functional currencies and are converted to the Group's presentation currency as follows:

- assets and liabilities are translated at the rate of exchange as at balance date;
- income statements are translated at average exchange rates for the reporting period which approximate the rates ruling at the dates of the transactions; and
- all resultant exchange differences are recorded within equity in the foreign currency translation reserve.

When an overseas subsidiary is sold, the cumulative amount recognised in the foreign currency translation reserve relating to the subsidiary is recognised in the Income Statement as part of the gain or loss on sale.

***1. Summary of Significant Accounting Policies** continued*

Significant Accounting Estimates and Judgements

Current Asset Provisions

In the course of normal trading activities, management uses its judgement in establishing the net realisable value of various elements of working capital – principally inventory and accounts receivable. Provisions are established for obsolete or slow moving inventories and bad or doubtful receivables. The actual level of obsolete or slow moving inventories and bad or doubtful receivables in future periods may be different from the provisions established, and any such differences would affect future earnings of the Group. The factors considered are detailed in Note 7 Working Capital and under the heading 'COVID-19' below.

Property, Plant and Equipment and Finite Life Intangible Assets

The Group's property, plant and equipment and intangible assets, other than indefinite life intangible assets, are depreciated/amortised on a straight-line basis over their useful economic lives. Management reviews the appropriateness of useful economic lives of assets at least annually, and any changes to useful economic lives may affect prospective depreciation rates and asset carrying values. The useful economic lives are detailed in Note 9 Property, Plant and Equipment and Note 11 Intangible Assets.

Impairment of Goodwill and Brand Names

The Group tests whether goodwill and brand names are impaired at least annually, or more frequently if events or changes in circumstances indicate that their carrying values may be impaired, in accordance with the accounting policy on intangible assets. The policy requires the use of assumptions in assessing the carrying values of cash generating units (CGUs). These assumptions are detailed in Note 11 Intangible Assets.

Income Tax

The Group operates in a number of tax jurisdictions and needs to consider their varying complexities, differing tax rules and the changing tax environments. The Group has processes to assess and manage these issues including the use of external tax advisers.

The reviews undertaken to determine whether a deferred tax asset should be recognised in jurisdictions where unbooked tax losses exist and in assessing the recoverability of booked tax losses involve the use of judgements and estimates in assessing the projected future trading performances of relevant operations. These judgements and estimates are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact on the amount of the deferred tax asset in respect of tax losses recognised on the Statement of Financial Position. In such circumstances the carrying amount of this asset may require adjustment resulting in a corresponding credit or charge to the Income Statement.

Employee Benefits

The amount recognised as an expense for the Long-Term Incentive Plan (LTIP) reflects the fair value of Performance Share Rights (PSRs) granted and the number of awards based on estimated non-market performance conditions at the vesting date. The estimated non-market performance conditions have been determined based on management's estimate of future performance, including the budget for the 2022 financial year as approved by the Board. The fair value of PSRs are detailed in Note 23 Ownership-based Remuneration Schemes.

Various actuarial assumptions are utilised in the determination of the Group's defined benefit superannuation plan obligations. These assumptions are detailed in Note 14 Retirement Benefit Obligations.

COVID-19

COVID-19 continued to drive demand for some of our products but also disrupted some operations due to temporary enforced government shutdowns. Overall, the Group's FY21 performance, including sales, profitability and liquidity, in the face of the pandemic has been positive.

This additional demand impacted the level of Trade Receivables reported on the Statement of Financial Position. Given the uncertain global economic conditions caused by the pandemic, management conducted an extensive review of the performance, credit limits and serviceability of the individually significant Trade Receivables balances across all the regions in which the Group operates taking into account specific country and macroeconomic risk factors. Based on the results of this review management were satisfied that the existing levels of provisions for expected credit losses were adequate. The ageing of Trade Receivables at the end of the financial year is broadly consistent with pre-COVID-19 levels.

Other Accounting Policies

Other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

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Change in Accounting Policy

In April 2021, the IFRS Interpretations Committee (IFRIC) published its final agenda decision 'Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)' which addresses whether configuration or customisation costs relating to Software-as-a-Service (SaaS) arrangements can be recognised as an intangible asset and if not, over what time period the costs are expensed.

The Group's accounting policy has historically been to capitalise certain costs related to cloud computing arrangements as an intangible asset. The adoption of the above agenda decision has resulted in the Group changing its accounting policy and a reclassification of these intangible assets in the Consolidated Statement of Financial Position to an expense in the Consolidated Income Statement, impacting both the current and prior periods presented. The new accounting policy and historical financial information that has been restated to account for the change are presented below.

Update to significant accounting estimates and judgements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. Judgement is required to determine whether the additional code meets the definition of an intangible asset.

Where the SaaS arrangement supplier provides both the configuration and customisation services, and the SaaS access over the contract term, judgement is required to determine whether these services are distinct or not from each other. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term (i.e. as a prepayment).

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement is required in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Impact on financial statements

The impact of this change in accounting policy for the comparative reporting period is presented below.

Consolidated Income Statement for the year ended 30 June 2020	Previously reported US$m	Adjustments US$m	Restated US$m
Selling, general and administration	(336.6)	(3.0)	(339.6)
Total expenses, excluding financing costs	(1,394.0)	(3.0)	(1,397.0)
Operating profit	219.7	(3.0)	216.7
Profit before net financing costs and income tax expense	219.7	(3.0)	216.7
Profit before income tax	202.3	(3.0)	199.3
Income tax expense	(42.2)	0.9	(41.3)
Profit for the period	160.1	(2.1)	158.0
Profit for the period is attributable to:			
Ansell Limited shareholders	158.7	(2.1)	156.6
Non-controlling interests	1.4	–	1.4
Profit for the period	160.1	(2.1)	158.0

	Previously reported US cents	Adjustments US cents	Restated US cents
Earnings Per Share:			
Basic Earnings Per Share	121.8	(1.6)	120.2
Diluted Earnings Per Share	120.0	(1.6)	118.4

***1. Summary of Significant Accounting Policies** continued*

Consolidated Statement of Comprehensive Income for the year ended 30 June 2020	Previously reported US$m	Adjustments US$m	Restated US$m
Profit for the period	160.1	(2.1)	158.0
Total comprehensive income for the period	130.8	(2.1)	128.7
Attributable to:			
Ansell Limited shareholders	130.3	(2.1)	128.2
Non-controlling interests	0.5	–	0.5
Total comprehensive income for the period	130.8	(2.1)	128.7

Consolidated Statement of Financial Position as at 30 June 2020	Previously reported US$m	Adjustments US$m	Restated US$m
Non-current assets			
Intangible assets	1,065.9	(11.0)[1]	1,054.9
Total non-current assets	1,487.6	(11.0)	1,476.6
Total assets	2,448.6	(11.0)	2,437.6
Non-current liabilities			
Deferred tax liabilities	76.6	(3.4)[2]	73.2
Total non-current liabilities	636.8	(3.4)	633.4
Total liabilities	1,045.2	(3.4)	1,041.8
Net assets	1,403.4	(7.6)	1,395.8
Equity			
Retained profits	705.7	(7.6)[3]	698.1
Total equity attributable to Ansell Limited shareholders	1,391.5	(7.6)	1,383.9
Non-controlling interests	11.9	–	11.9
Total equity	1,403.4	(7.6)	1,395.8

1. Includes transition adjustment of $8.0m as at 1 July 2019.
2. Includes transition adjustment of $2.5m as at 1 July 2019.
3. Includes transition adjustment of $5.5m as at 1 July 2019.

Consolidated Statement of Cash Flows for the year ended 30 June 2020	Previously reported US$m	Adjustments US$m	Restated US$m
Cash flows related to operating activities			
Payments to suppliers and employees	(1,300.8)	(4.2)	(1,305.0)
Net receipts from operations	325.1	(4.2)	320.9
Net cash provided by operating activities	290.9	(4.2)	286.7
Cash flows related to investing activities			
Payments for property, plant, equipment and intangible assets	(64.8)	4.2	(60.6)
Net cash used in investing activities	(74.8)	4.2	(70.6)
Net cash used in financing activities	(198.3)	–	(198.3)
Net increase/(decrease) in cash and cash equivalents	17.8	–	17.8
Cash and cash equivalents at the beginning of the financial year	397.5	–	397.5
Effect of movements in exchange rates on cash held	(6.4)	–	(6.4)
Cash and cash equivalents at the end of the financial year	408.9	–	408.9

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2. Segment Information

The Group comprises the following operating segments:

Healthcare GBU: surgical and examination gloves, healthcare safety devices and active infection prevention products for healthcare professionals and patients and single use industrial application gloves.

Industrial GBU: multi-use hand and body protection solutions for industrial worker environments and specialty applications.

	Operating Segments			
2021	**Healthcare US$m**	**Industrial US$m**	**Unallocated US$m**	**Total Group US$m**
Sales revenue	**1,236.2**	**790.7**	**–**	**2,026.9**
Operating profit/(loss)	**240.7**	**112.4**	**(23.2)**	**329.9**
Share of profit of equity accounted investment, net of tax	**8.1**	**–**	**–**	**8.1**
Profit/(loss) before net financing costs and income tax expense	**248.8**	**112.4**	**(23.2)**	**338.0**
Net financing costs	**–**	**–**	**(19.9)**	**(19.9)**
Profit before income tax expense	**248.8**	**112.4**	**(43.1)**	**318.1**
Income tax expense				**(69.8)**
Profit after income tax				**248.3**
Non-controlling interests				**(1.6)**
Net profit attributable to Ansell Limited shareholders				**246.7**
Segment assets	**1,380.8**	**975.2**	**381.7**	**2,737.7**
Segment liabilities	**252.0**	**170.6**	**750.5**	**1,173.1**
Segment depreciation and amortisation	**25.4**	**31.2**	**7.5**	**64.1**
Segment capital expenditure	**48.5**	**36.4**	**1.1**	**86.0**

	Operating Segments			
2020	**Healthcare US$m**	**Industrial US$m**	**Unallocated^ Restated US$m**	**Total Group^ Restated US$m**
Sales revenue	894.6	719.1	–	1,613.7
Operating profit/(loss)	141.8	92.4	(17.5)	216.7
Share of profit of equity accounted investment, net of tax	–	–	–	–
Profit/(loss) before net financing costs and income tax expense	141.8	92.4	(17.5)	216.7
Net financing costs	–	–	(17.4)	(17.4)
Profit before income tax expense	141.8	92.4	(34.9)	199.3
Income tax expense				(41.3)
Profit after income tax				158.0
Non-controlling interests				(1.4)
Net profit attributable to Ansell Limited shareholders				156.6
Segment assets	1,059.4	835.4	542.8	2,437.6
Segment liabilities	130.1	133.7	778.0	1,041.8
Segment depreciation and amortisation	22.2	26.4	6.7	55.3
Segment capital expenditure	30.5	26.2	3.9	60.6

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

***2. Segment Information** continued*

Regional Information

Sales revenue is disclosed in the four geographical regions based on where the products are sold to external customers.

Assets (excluding goodwill, brand names and other intangibles) are allocated to the geographical regions in which the assets are located.

Asia Pacific: manufacturing facilities in Malaysia, Thailand, Sri Lanka, China and Vietnam.

Europe, Middle East and Africa: manufacturing facilities in Lithuania, Russia and Portugal.

Latin America and Caribbean: manufacturing facility in Brazil.

North America: manufacturing facility in Mexico.

	Sales Revenue		Regional Assets	
Regions	**2021 US$m**	**2020 US$m**	**2021 US$m**	**2020 US$m**
Asia Pacific	**276.5**	208.2	**509.9**	393.4
Europe, Middle East and Africa	**712.3**	543.7	**282.9**	172.8
Latin America and Caribbean	**134.3**	106.7	**85.0**	50.8
North America	**903.8**	755.1	**393.2**	229.0
Total regions	**2,026.9**	1,613.7	**1,271.0**	846.0

Country of Domicile

The Company's country of domicile is Australia. The sales revenue and assets for the Australian entities (reported within the Asia Pacific region) are as follows:

	2021 US$m	**2020 US$m**
Sales revenue	**87.8**	127.6
Assets	**25.8**	28.2

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3. Profit Before Income Tax

(a) Profit Before Income Tax has been arrived at after charging/(crediting) the following items

	2021 US$m	2020 US$m
This table summarises expenses by nature:		
Interest expense on interest bearing liabilities	**16.3**	17.9
Interest expense on lease liabilities	**1.7**	1.5
Other financing costs	**3.1**	2.9
Interest income	**(1.2)**	(4.9)
Net financing costs	**19.9**	17.4
Bad debts written off	**–**	0.1
Provision for impairment of trade receivables – recognised	**1.0**	0.5
Net bad debts expense and provision for impairment of trade receivables	**1.0**	0.6
Wages and salaries	**280.9**	240.4
Increase in provision for employee entitlements	**15.7**	13.7
Defined contribution superannuation plan expense	**14.6**	12.3
Defined benefit superannuation plan expense	**2.8**	2.2
Equity settled share-based payments expense	**30.1**	10.3
Employee benefits expense	**344.1**	278.9
Research and development costs	**14.5**	14.3
Net foreign exchange loss/(gain)	**11.5**	(0.5)
Loss/(gain) on the sale of property, plant and equipment	**0.2**	(0.9)
Income from sub-leasing of right-of-use assets	**(0.6)**	(1.0)
Variable lease payments	**8.8**	8.9
Write-down in value of inventories	**34.2**	5.0

(b) Recognition and Measurement

Sales Revenue

Sales revenue is recognised when control of the goods has been transferred to the customer in accordance with the trading terms which are generally specified in their sales agreements. Sales revenue is recorded based on the consideration received or receivable from the customer net of returns, trade discounts and allowances.

4. Income Tax

	2021 US$m	2020^ Restated US$m
(a) Income Tax Expense		
Prima facie income tax calculated at 30% (2020: 30%) on profit before income tax	**95.4**	59.8
Reduced taxation arising from:		
Investment and export incentive allowances	**(13.6)**	(7.7)
Share of profits of equity accounted investment	**(1.9)**	–
Net lower overseas tax rates	**(20.0)**	(10.9)
Tax losses generated but not recognised	**7.6**	–
Other permanent differences	**2.3**	0.1
Income tax expense attributable to profit before income tax	**69.8**	41.3
Income tax expense attributable to profit before income tax is made up of:		
Current year income tax	**83.1**	38.8
Deferred income tax attributable to:		
(Decrease)/increase in deferred tax liability	**(1.9)**	0.5
(Increase)/decrease in deferred tax asset	**(11.4)**	2.0
	69.8	41.3

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

	2021 US$m	2020 US$m
Income tax benefit recognised in other comprehensive income		
Remeasurement of defined benefit superannuation/post-retirement health benefit plans*	**0.2**	(5.1)
Movement in effective hedges for year	**–**	(0.9)
	0.2	(6.0)

* 2020 includes an adjustment to deferred tax on actuarial gains/losses reported in prior periods.

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	2021 US$m	2020^ Restated US$m
(b) Deferred Tax Assets		
Deferred tax assets arising from:		
Deductible temporary differences	60.6	42.1
Accumulated tax losses	22.5	26.4
	83.1	68.5
Deferred tax assets are attributable to the following:		
Trading stock tax adjustments	14.9	5.5
Provisions	36.1	26.2
Accruals	2.4	5.2
Leased assets	0.6	0.7
Amortisation of intangible assets	6.6	4.5
Accumulated tax losses	22.5	26.4
Total deferred tax assets	83.1	68.5
Details of the movement in the balance of deferred tax assets are as follows:		
Balance at the beginning of the financial year	68.5	66.0
Under provision of prior year balance	0.1	0.3
Amount charged to the Income Statement	11.4	(2.0)
Amount credited to other comprehensive income	(0.2)	5.1
Net exchange differences on translation of foreign subsidiaries	3.3	(0.9)
Balance at the end of the financial year	83.1	68.5
(c) Deferred Tax Liabilities		
Deferred tax liabilities are attributable to the following:		
Depreciation on plant and equipment	8.0	6.7
Amortisation of intangible assets^	64.1	61.0
Financial instruments	(0.3)	(0.2)
Other	0.5	5.7
Total deferred tax liabilities	72.3	73.2
Details of the movement in the balance of deferred tax liabilities are as follows:		
Balance at the beginning of the financial year	73.2	76.5
Change in accounting policy upon adoption of IFRIC Agenda Decision^	–	(2.5)
Over provision of prior year balance	(0.1)	(0.1)
Amount charged to the Income Statement	(1.3)	1.4
Change in accounting policy current year charged to the Income Statement^	(0.6)	(0.9)
Amount credited to other comprehensive income	–	(0.9)
Net exchange differences on translation of foreign subsidiaries	1.1	(0.3)
Balance at the end of the financial year	72.3	73.2

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

4. Income Tax continued

(d) Recognition and Measurement

Current Tax

Income tax on the profit or loss for the financial year comprises current and deferred tax and is recognised in the Income Statement. Current tax is the expected tax payable or receivable on taxable income for the financial year using tax rates enacted or substantively enacted at reporting date, and any adjustments to tax payable or receivable in respect of previous years.

Deferred Tax

Deferred tax balances are determined using the balance sheet method, which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the Statement of Financial Position and their associated tax bases. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability using tax rates enacted or substantively enacted at reporting date.

In jurisdictions where unbooked tax losses exist, regular reviews are undertaken of the past trading history and projected future trading performance of the operations in these jurisdictions as part of the determination of the value of any deferred tax asset that should be reflected in the accounts in respect of such losses. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realised.

The Group has not recognised the tax value of deferred tax assets in respect of trading tax losses of $14.0m (2020: $7.6m) and $59.2m of capital losses (2020: $59.0m). Deferred tax assets in respect of these unbooked losses have not been recognised as it is not probable that future taxable profits will be available against which these losses can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income. In this case, the associated tax is also recognised in other comprehensive income.

5. Earnings Per Share

	2021 US$m	2020^ Restated US$m
Earnings reconciliation		
Profit for the period	**248.3**	158.0
Less profit for the period attributable to non-controlling interests	**(1.6)**	(1.4)
Basic earnings	**246.7**	156.6
Diluted earnings	**246.7**	156.6

	Number of Shares (Millions)	
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic Earnings Per Share	**128.4**	130.3
Effect of partly paid Executive Plan shares and PSRs	**1.7**	2.0
Number of ordinary shares for diluted Earnings Per Share	**130.1**	132.3

	US Cents	US Cents
Earnings Per Share		
Basic Earnings Per Share	**192.2**	120.2
Diluted Earnings Per Share	**189.6**	118.4

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

Recognition and Measurement

Earnings Per Share (EPS) is the amount of profit attributable to each share. Basic EPS is calculated on the Group's profit for the year attributable to equity shareholders divided by the weighted average number of shares on issue during the year. Diluted EPS reflects any commitments the Group has to issue shares in the future. Partly paid Executive Plan shares and PSRs have been included in diluted EPS.

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6. Cash and Cash Equivalents

	2021 US$m	2020 US$m
(a) Cash and Cash Equivalents		
Cash on hand	–	0.1
Cash at bank	172.9	149.6
Short-term deposits	62.7	256.4
	235.6	406.1
Restricted cash	1.6	–
Restricted deposits	3.0	2.8
Total cash and cash equivalents	240.2	408.9

	2021 US$m	2020^ Restated US$m
(b) Reconciliation of Net Profit After Tax to Net Cash Provided by Operating Activities		
Profit for the period	248.3	158.0
Add/(less) non-cash items:		
Depreciation	34.8	31.1
Amortisation	29.3	24.2
Impairment – trade receivables	1.0	0.5
Share-based payments expense	30.1	10.3
Write-down of property, plant and equipment	2.5	1.0
Add/(less) items classified as investing/financing activities:		
Interest income	(1.2)	(4.9)
Interest expense on interest bearing liabilities and financing costs	19.4	20.8
Interest expense on lease liabilities	1.7	1.5
Share of profits equity accounted investment, net of tax	(8.1)	–
Loss/(gain) on the sale of property, plant and equipment	0.2	(0.9)
Net cash provided by operating activities before change in assets and liabilities	358.0	241.6
Change in assets and liabilities net of effect from acquisitions and disposals of businesses and subsidiaries:		
(Increase)/decrease in trade and other receivables	(80.9)	12.1
Increase in inventories	(260.5)	(14.0)
Increase in other assets	(11.9)	(5.8)
Increase in trade and other payables	137.8	32.9
Increase in provisions/other liabilities	27.9	11.7
Increase in retirement benefit obligations	0.1	0.9
(Decrease)/increase in deferred tax liabilities	(5.8)	0.3
(Increase)/decrease in deferred tax assets	(7.8)	2.5
Increase in current tax liabilities	16.4	4.7
Other non-cash items (including foreign currency impact)	(0.5)	(0.2)
Net cash provided by operating activities	172.8	286.7

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

6. Cash and Cash Equivalents continued

(c) Recognition and Measurement

Cash at Bank and on Deposit

Cash and cash equivalents include cash on hand and at banks and investments in money market instruments, net of outstanding bank overdrafts.

Restricted Cash

Restricted cash is cash held by the Ansell Limited Employee Share Plan Trust (refer to Note 22 Ansell Limited Employee Share Plan Trust).

Restricted Deposits

Restricted deposits represent cash set aside (under Court orders) to cover the provisions established to address any remaining liability of members of the Group for claims arising with respect to the Accufix Pacing Lead (refer to Note 13 Provisions – Other Provisions).

7. Working Capital

	2021 US$m	2020 US$m
Net trade receivables	**265.5**	173.4
Inventories	**611.2**	340.1
Trade payables	**(357.4)**	(220.1)
Total working capital	**519.3**	293.4

(a) Current Trade and Other Receivables

	2021 US$m	2020 US$m
Trade receivables	**345.2**	240.9
Allowance for impairment	**(6.7)**	(6.1)
Provision for rebates and allowances	**(73.0)**	(61.4)
Net trade receivables	**265.5**	173.4
Other amounts receivable	**8.7**	7.8
Total current trade and other receivables	**274.2**	181.2

Movements in the allowance for impairment of trade receivables:

	2021 US$m	2020 US$m
Balance at the beginning of the financial year	**6.1**	8.1
Amounts charged to the Income Statement	**1.0**	0.5
Amounts utilised	**(0.5)**	(2.0)
Net exchange differences on translation of foreign subsidiaries	**0.1**	(0.5)
Balance at the end of the financial year	**6.7**	6.1

	Gross Trade Receivables		Allowance for Impairment	
Ageing of Trade Receivables	2021 US$m	2020 US$m	2021 US$m	2020 US$m
Within agreed terms	**302.5**	195.9	**–**	–
Past due 0-60 days	**33.8**	35.9	**0.1**	–
Past due 61-90 days	**0.8**	1.0	**–**	–
Past due 91 days or more	**8.1**	8.1	**6.6**	6.1
Total	**345.2**	240.9	**6.7**	6.1

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(b) Inventories

	2021 US$m	2020 US$m
Raw materials	**72.6**	52.1
Work in progress	**23.3**	19.6
Finished goods	**515.3**	268.4
Total inventories	**611.2**	340.1

	2021 US$m	2020 US$m
Inventories recognised as an expense	**1,197.7**	941.9

(c) Current Trade and Other Payables

	2021 US$m	2020 US$m
Current		
Trade payables	**357.4**	220.1
Other payables	**45.5**	34.6
Total current trade and other payables	**402.9**	254.7

(d) Recognition and Measurement

Trade Receivables

Trade receivables are carried at amounts due. Receivables that are not past due and not impaired are considered recoverable. Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amount considered recoverable. Customer trading terms are generally between 30 – 60 days.

Allowance for Impairment of Trade Receivables

The collectability of trade receivables is assessed continuously and at balance date specific allowances are made for any doubtful trade receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

The Group determines that the trade receivables are low credit risk financial assets and measures the impairment of trade receivable balances based on an expected credit loss model. The following have been used to assess the allowance for impairment of trade receivables in conjunction with the increased focus on trade receivables as detailed in Note 1 Summary of Significant Accounting Policies – Accounting Estimates and Judgements – COVID-19:

- individual account by account assessment based on past credit history;
- prior knowledge of debtor insolvency;
- high risk customers' assessments based on continuous analysis of customers' payment trends and monitoring of the political and economic climates particularly for those customers who are located in emerging market countries; and
- customer accounts that have been referred to a collection agency.

Inventories

Inventories are valued at the lower of cost and net realisable value. The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads.

Provision for Obsolete or Slow-moving Inventories

Allowances are established for obsolete or slow-moving inventories taking into consideration the ageing or seasonal profile of inventories, the nature of inventories, discontinued lines, sell-through history and forecast sales.

Trade and Other Payables

Trade and other payables are normally settled within 30 to 60 days from invoice date or within the agreed payment terms with the supplier.

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8. Investments

(a) Equity Accounted Investment

Careplus (M) Sdn Bhd (CMSB) is a joint venture in which the Group has joint control with Careplus Group Berhad and a 50% ownership interest (2020: 50%). CMSB is a Malaysian manufacturer of surgical as well as latex and nitrile powder-free examination gloves with a manufacturing facility in the Senawang Industrial Estate, near Kuala Lumpur. CMSB is a current supplier to Ansell.

The carrying amount of the equity accounted investment has changed as follows:

	2021 US$m	2020 US$m
Balance at the beginning of the financial year	8.9	–
Additions	1.7	8.9
Profit for the period	8.1	–
Net exchange differences on translation	0.2	–
Balance at the end of the financial year	18.9	8.9

As at 30 June 2021, the Group had a $8.9m trade payable owing to and $13.7m other receivable from CMSB. Both are based on normal commercial terms and conditions. None of the balances are secured.

The agreement with Careplus Group Berhad contains a call option over the remaining 50% of the issued capital of CMSB. The option can be exercised by Ansell upon the occurrence of one of a number of trigger events, which were not considered probable at the date of this report.

Recognition and Measurement

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities and are accounted for using the equity method. Investments in joint ventures are initially recorded at cost which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of joint ventures with a corresponding adjustment to the carrying amount of the investment, until the date on which joint control ceases. Dividends received from joint ventures reduce the carrying amount of the investment.

Summarised Financial Information

The summarised financial information below is presented on a 100 percent basis, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in CMSB.

	2021 US$m	2020 US$m
Current assets	32.3	15.0
Non-current assets	25.4	15.8
Current liabilities	18.9	12.4
Non-current liabilities	3.4	4.1
Net assets	35.4	14.3
Group's share of net assets (50%)	17.7	7.2
Elimination of unrealised profit on downstream sales	(1.2)	–
Goodwill	2.0	2.0
Net exchange differences on translation	0.4	(0.3)
Carrying amount of interest in joint venture	18.9	8.9

The above amounts of assets and liabilities include the following:

	2021 US$m
Cash and cash equivalents	2.8
Current financial liabilities (excluding trade and other payables and provisions)	1.8
Non-current financial liabilities (excluding trade and other payables and provisions)	3.1

	2021 US$m
Revenue	73.5
Total comprehensive income for the period	17.9

The above profit for the period includes the following:

	2021 US$m
Depreciation	2.9
Interest income	0.1
Interest expense	0.3
Income tax expense	2.7

(b) Unlisted Equity Investment

	2021 US$m	2020 US$m
Investment in Modjoul	3.0	3.0

Recognition and Measurement

Unlisted equity investments are classified as a financial asset under AASB 9 *Financial Instruments* and are initially recorded at cost. They are subsequently measured at fair value and any changes are recognised in OCI and reflected in the fair value reserve in equity. When a financial asset is derecognised, the cumulative gain or loss in equity is transferred to retained earnings. Dividends received are recognised in the income statement.

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9. Property, Plant and Equipment

2021	Freehold Land US$m	Freehold Buildings US$m	Leasehold Land and Buildings US$m	Plant and Equipment US$m	Buildings and Plant Under Construction US$m	Total US$m
Cost	9.9	46.0	75.2	489.0	26.4	646.5
Accumulated depreciation	–	(17.7)	(29.7)	(304.2)	–	(351.6)
	9.9	28.3	45.5	184.8	26.4	294.9
Movement						
Balance at the beginning of the financial year	10.2	18.2	40.4	143.3	39.4	251.5
Additions	–	–	–	2.2	77.0	79.2
Disposals/scrappings	(0.1)	(0.1)	(0.2)	(2.0)	(0.4)	(2.8)
Transfer from buildings and plant under construction	–	12.1	8.1	69.9	(90.1)	–
Depreciation	–	(1.5)	(3.7)	(29.6)	–	(34.8)
Net exchange differences on translation of foreign subsidiaries	(0.2)	(0.4)	0.9	1.0	0.5	1.8
Balance at the end of the financial year	9.9	28.3	45.5	184.8	26.4	294.9

2020	Freehold Land US$m	Freehold Buildings US$m	Leasehold Land and Buildings US$m	Plant and Equipment US$m	Buildings and Plant Under Construction US$m	Total US$m
Cost	10.2	34.6	67.7	429.6	39.4	581.5
Accumulated depreciation	–	(16.4)	(27.3)	(286.3)	–	(330.0)
	10.2	18.2	40.4	143.3	39.4	251.5
Movement						
Balance at the beginning of the financial year	10.6	19.0	40.7	144.8	14.7	229.8
Additions	–	0.6	–	2.6	55.2	58.4
Disposals/scrappings	(0.3)	(0.7)	(0.1)	(1.4)	(0.1)	(2.6)
Transfer from buildings and plant under construction	–	0.5	3.9	25.5	(29.9)	–
Depreciation	–	(1.2)	(3.4)	(26.5)	–	(31.1)
Net exchange differences on translation of foreign subsidiaries	(0.1)	–	(0.7)	(1.7)	(0.5)	(3.0)
Balance at the end of the financial year	10.2	18.2	40.4	143.3	39.4	251.5

Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and that the cost of the item can be measured reliably.

Depreciation

Depreciation is generally calculated on a straight-line basis so as to write off the net cost of each item of property, plant and equipment, excluding land, over its estimated useful life.

The expected useful lives in the current and prior years are as follows:

Freehold buildings	20 – 40 years
Leasehold buildings	The lesser of 50 years or the life of the lease
Plant and equipment	3 – 20 years

Depreciation rates and methods are reviewed annually for appropriateness.

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10. Leases

(a) Right-of-use Assets

2021	Buildings US$m	Motor Vehicles US$m	Other Plant and Equipment US$m	Total US$m
Cost	120.3	16.4	3.6	140.3
Accumulated depreciation	(71.4)	(6.4)	(1.4)	(79.2)
	48.9	10.0	2.2	61.1
Movement				
Balance at the beginning of the financial year	45.8	8.3	1.4	55.5
New leases	12.1	7.5	1.4	21.0
Modifications	6.8	0.4	–	7.2
Terminations	(0.4)	(1.9)	–	(2.3)
Depreciation	(16.2)	(4.5)	(0.6)	(21.3)
Net exchange differences on translation of foreign subsidiaries	0.8	0.2	–	1.0
Balance at the end of the financial year	48.9	10.0	2.2	61.1

2020	Buildings US$m	Motor Vehicles US$m	Other Plant and Equipment US$m	Total US$m
Cost	102.0	15.8	2.3	120.1
Accumulated depreciation	(56.2)	(7.5)	(0.9)	(64.6)
	45.8	8.3	1.4	55.5
Movement				
Recognised on adoption of AASB 16 *Leases* at the beginning of the year	34.5	8.3	0.7	43.5
New leases	5.1	4.5	1.1	10.7
Modifications	20.6	0.4	–	21.0
Terminations	–	(0.6)	–	(0.6)
Depreciation	(13.7)	(4.2)	(0.4)	(18.3)
Net exchange differences on translation of foreign subsidiaries	(0.7)	(0.1)	–	(0.8)
Balance at the end of the financial year	45.8	8.3	1.4	55.5

***10. Leases** continued*

(b) Lease Liabilities

	2021 US$m	2020 US$m
Balance at the beginning of the financial year	**57.6**	–
Recognised on adoption of AASB 16 *Leases* at the beginning of the year	**–**	48.1
New leases	**21.0**	10.7
Modifications	**7.2**	21.0
Terminations	**(2.3)**	(0.6)
Repayments	**(20.8)**	(20.3)
Net exchange differences on translation of foreign subsidiaries	**1.1**	(1.3)
Balance at the end of the financial year	**63.8**	57.6
Ageing of Lease Liabilities		
Current	**20.8**	18.3
Non-current	**43.0**	39.3
	63.8	57.6

(c) Maturity Analysis – Lease Liabilities

The following table sets out the contractual maturities of the Group's lease liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows comprising principal and interest repayments.

	Carrying Amount US$m	Total Contractual Cash Flows US$m	Contractual Maturity (Years) 0-1 US$m	1-2 US$m	2-5 US$m	> 5 US$m
2021						
Lease Liabilities	**63.8**	**72.1**	**21.4**	**16.8**	**18.1**	**15.8**
2020						
Lease Liabilities	57.6	68.6	19.7	16.8	19.1	13.0

(d) Recognition and measurement

The Group leases properties, motor vehicles and other plant and equipment. Lease terms range from less than 12 months to 99 years with varying implicit discount rates and in numerous currencies. When an arrangement qualifies as a lease under AASB 16, the right-of-use asset and lease liability as at inception are calculated by discounting future payments under the lease contract. The right-of-use asset is amortised on a straight line basis over the term of the lease. Regular lease payments are allocated against the lease liability and interest.

Where lease contracts include an option(s) for renewal the impact of such options is not included in the initial calculation of the right-of-use asset and liability unless it is considered reasonably certain that the option(s) will be exercised.

The Group has also entered into arrangements (predominantly for warehousing and distribution facilities) which may incorporate a fixed monthly charge and/or charges which are dependent on a number of factors i.e. number of pallets stored, number of deliveries etc. (variable charges). The fixed monthly charges of these arrangements are accounted for as a lease under AASB 16 whereas variable charges are expensed to the Income Statement as incurred.

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11. Intangible Assets

2021	Goodwill US$m	Brand Names US$m	Software Costs US$m	Other Intangibles US$m	Total US$m
Cost					
Balance at the beginning of the financial year	974.7	244.7	60.4	23.5	1,303.3
Additions	–	5.6	1.2	–	6.8
Net exchange differences on translation of foreign subsidiaries	16.9	8.6	5.1	0.1	30.7
Balance at the end of the financial year	991.6	258.9	66.7	23.6	1,340.8
Provision for amortisation and impairment					
Balance at the beginning of the financial year	140.0	57.3	42.5	8.6	248.4
Amortisation	–	0.1	6.7	1.2	8.0
Net exchange differences on translation of foreign subsidiaries	0.2	3.3	3.6	0.2	7.3
Balance at the end of the financial year	140.2	60.7	52.8	10.0	263.7
Written down value at the end of the financial year	851.4	198.2	13.9	13.6	1,077.1

Software additions and amortisation is net ($2.8m) of FY21 change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

2020^ Restated	Goodwill US$m	Brand Names US$m	Software Costs^ US$m	Other Intangibles US$m	Total^ US$m
Cost					
Balance at the beginning of the financial year	987.3	248.6	70.2	23.7	1,329.8
Change in accounting policy upon adoption of IFRIC Agenda Decision^	–	–	(10.9)	–	(10.9)
Additions	–	–	2.2	–	2.2
Additions through completion of provisional accounting	1.1	–	–	–	1.1
Net exchange differences on translation of foreign subsidiaries	(13.7)	(3.9)	(1.1)	(0.2)	(18.9)
Balance at the end of the financial year	974.7	244.7	60.4	23.5	1,303.3
Provision for amortisation and impairment					
Balance at the beginning of the financial year	140.2	58.0	41.4	7.6	247.2
Change in accounting policy upon adoption of IFRIC Agenda Decision^	–	–	(2.9)	–	(2.9)
Amortisation	–	0.1	4.6	1.2	5.9
Net exchange differences on translation of foreign subsidiaries	(0.2)	(0.8)	(0.6)	(0.2)	(1.8)
Balance at the end of the financial year	140.0	57.3	42.5	8.6	248.4
Written down value at the end of the financial year	834.7	187.4	17.9	14.9	1,054.9

Carrying amount of goodwill and brand names allocated to each of the CGUs:

	2021 US$m	2020 US$m
Healthcare	689.5	675.7
Industrial	360.1	346.4
	1,049.6	1,022.1

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

***11. Intangible Assets** continued*

Recognition and Measurement

Goodwill and Brand Names

Goodwill on acquisition is measured at cost being the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is not amortised. Brand names are initially recorded at cost based on independent valuations at acquisition date, which equates to fair value. Based on the nature of the major brand names acquired by the Group, which are international brands that benefit from competitive advantages due to technology, innovation and product development, it is not possible to make an arbitrary assessment that these brand names have a finite useful life, quantifiable in terms of years except where such brands are subject to licensing agreements covering a finite period or where management intends to phase out the use of a brand. Brand names subject to a licensing arrangement are amortised over the life of the arrangement. Brand names that are intended to be phased out are amortised over the period management anticipates that this process will take. No amortisation is provided against the carrying value of those brand names not subject to a licensing arrangement or phase-out process as the Group believes that the lives of such assets are indefinite at this point.

Software Costs

Capitalised software costs are amortised over a 5 to 10 year period. Refer to Note 1 Summary of Significant Accounting Policies for change in accounting policy details.

Other Intangible Assets

Other intangible assets that are acquired by the Group and have finite useful lives are initially recorded at cost based on independent valuations at acquisition date, which equates to fair value. These assets include patents that are amortised on a straight-line basis over the legal life of the patent and customer and distributor relationships that are amortised on a straight-line basis over their estimated useful lives being which range from 6 to 20 years.

The amortisation of brand names, software costs and other intangible assets are recognised in selling, general and administration costs in the Income Statement.

Recoverability Assessment

Recoverable Amount of Non-Current Assets Valued on the Cost Basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date.

The recoverable amount of a non-current asset is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the Income Statement as part of cost of goods sold and selling, general and administration expenses. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit.

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of goodwill or other indefinite life intangible assets is not reversed.

An impairment loss in other circumstances is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill and Indefinite Life Intangible Assets

Goodwill and indefinite life intangible assets are tested for impairment as part of the year-end reporting process. These assets are also reviewed as part of the interim reporting process to determine whether there are any indicators of impairment.

The carrying amount of other non-current assets, excluding any defined benefit fund assets, deferred tax assets and financial assets are reviewed at each reporting date to determine whether there are any indicators of impairment.

If such indicators exist, the asset is tested for impairment by comparing its recoverable amount to its carrying amount. The recoverable amount of an asset is determined as the higher of fair value less costs of disposal and value in use.

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The recoverable amount of each CGU has been determined based on a value in use calculation derived from five-year cash flow projections:

- The first year's cash flow projection is derived from the budget for the 2022 financial year as approved by the Board.
- Specific growth and after tax discount rates have been used in developing internal forecasts for financial years ending June 2023 to 2026 and for the terminal year. Factors such as country risk, forecasting risk and country specific growth and tax rates have been taken into consideration in arriving at these rates.

Cash flows used for value in use calculations are estimated for the asset in its present condition and therefore do not include cash inflows or outflows that improve or enhance the asset's performance or that may arise from future restructuring. Key assumptions also include the annual revenue growth and margins.

The estimated COVID-19 impacts have been reflected in the five-year cash flow projections. This includes considering the following factors:

- The Group's COVID-19 response initiatives, including the estimated impacts on revenue growth and margins; and
- pre-COVID-19 projections and run rates.

The post-tax discount rate used for a value in use calculation is derived based on an internal assessment of the Group's post-tax weighted average cost of capital in conjunction with risk specific factors for the countries in which the CGU operates. The growth in the terminal year was 1.6% to 1.8% (2020: 1.9%) and the post-tax discount rates applied range between 8.0% and 8.2% (2020: between 8.3% and 8.9%).

12. Interest Bearing Liabilities

	2021 US$m	2020 US$m
Current		
Loans repayable in:		
United States dollars	–	50.0
Total current	–	50.0
Non-current		
Loans repayable in:		
Euros	132.7	142.2
United States dollars	200.0	200.0
United Kingdom pounds	119.0	127.7
Total non-current	451.7	469.9
Total interest bearing liabilities	451.7	519.9

This table summarises the movement in interest bearing liabilities for the year ended 30 June 2021:

	2021 US$m
Balance at the beginning of the financial year	519.9
Movements in cash flows related to financing activities:	
Proceeds from borrowings as per Consolidated Statement of Cash Flows	2.0
Repayments of borrowings as per Consolidated Statement of Cash Flows	(93.3)
Other movements:	
Net exchange differences on translation of foreign subsidiaries	23.1
Balance at the end of the financial year	451.7

The Group has a syndicated borrowing facility of US$300 million with GBP 86.0 million (equivalent of US$119.0 million) drawn down at 30 June 2021 maturing in June 2023, a Euro 50.0 million revolving credit facility with Euro 10.0 million (equivalent of US$11.9 million) drawn down at 30 June 2021 maturing in July 2024 and Senior Notes to the equivalent of US$320.8 million. Senior Notes of US$200 million and Euro 101.5 million (equivalent of US$120.8 million) mature between April 2024 and June 2029. These facilities can be accessed by certain Australian, US, UK and European subsidiaries.

***12. Interest Bearing Liabilities** continued*

There are a number of financial covenants attaching to the bank and note facilities including restrictions on the level of borrowings of non-guarantor subsidiaries and ensuring certain financial ratios are maintained. If any breaches of these covenants occur, all monies outstanding under the facility become immediately due and payable. The Group is in compliance with all covenants. The interest rates for these facilities are determined based on market rates at the time amounts are drawn down.

From 1 January 2022, the interest rate on the GBP 86 million borrowings will transition from LIBOR to Risk Free Rates (RFR). The Company will agree contractual arrangements with the lenders to transition GBP LIBOR to the Sterling Overnight Index Rate (SONIA) or another alternative rate by 31 December 2021. The Company does not anticipate the transition to RFR will have a material impact on the Group's interest expense.

	2021 US$m	2020 US$m
Net interest bearing debt		
Current interest bearing liabilities	–	50.0
Current lease liabilities	20.8	18.3
Non-current interest bearing liabilities	451.7	469.9
Non-current lease liabilities	43.0	39.3
Cash on hand, cash at bank and short-term deposits	(235.6)	(406.1)
Net interest bearing debt	279.9	171.4

Recognition and Measurement

Interest bearing liabilities are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost. Any difference between the cost and redemption value is recognised in the Income Statement over the period of the liability using the effective interest method.

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2021 US$m
Bank loans	Euros	1.25	2025	11.9
	Great British pounds	2.07	2023	119.0
Other loans	Euros	0.73	2027	42.5
	Euros	2.75	2028	42.5
	Euros	2.47	2029	35.8
	United States dollars	4.70	2024	100.0
	United States dollars	4.05	2025	50.0
	United States dollars	4.68	2026	50.0
Total interest bearing liabilities				451.7

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2020 US$m
Bank loans	Euros	1.35	2025	28.1
	Great British pounds	2.14	2023	127.7
Other loans	Euros	0.94	2027	40.2
	Euros	2.75	2028	40.2
	Euros	2.47	2029	33.7
	United States dollars	3.91	2021	50.0
	United States dollars	4.70	2024	100.0
	United States dollars	4.05	2025	50.0
	United States dollars	4.68	2026	50.0
Total interest bearing liabilities				519.9

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13. Provisions

	2021 US$m	2020 US$m
Current		
Provision for employee entitlements	**84.9**	58.3
Provision for rationalisation and restructuring costs	**3.8**	5.1
Other provisions	**3.8**	3.0
Total current	**92.5**	66.4
Non-current		
Provision for employee entitlements	**12.1**	9.3
Total non-current	**12.1**	9.3
Total provisions	**104.6**	75.7

Reconciliations of the carrying amount of each class of provision, except for employee entitlements, are set out below:

	2021 US$m	2020 US$m
Provision for rationalisation and restructuring costs		
Balance at the beginning of the financial year	**5.1**	8.3
Amounts charged to the Income Statement	**1.4**	2.0
Payments made	**(3.0)**	(5.1)
Net exchange differences on translation of foreign subsidiaries	**0.3**	(0.1)
Balance at the end of the financial year	**3.8**	5.1
Other provisions		
Balance at the beginning of the financial year	**3.0**	3.2
Amounts charged/(credited) to the Income Statement	**0.7**	(0.1)
Net exchange differences on translation of foreign subsidiaries	**0.1**	(0.1)
Balance at the end of the financial year	**3.8**	3.0

Recognition and Measurement

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation.

A non-current provision is determined by discounting the expected future cash flows required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Employee Entitlements

Wages, Salaries and Annual Leave

Liabilities for employee entitlements to wages, salaries and annual leave represent the amount which members of the Group have a present obligation to pay resulting from employees' services provided up to the balance date calculated at undiscounted amounts based on expected wage and salary rates that will be paid when the obligation is settled and include related on-costs.

Long Service Leave and Post-retirement Health Benefits

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided in the current and prior periods. Post-retirement health benefits are subject to annual actuarial reviews.

The liability is calculated using estimated future increases in wage and salary rates including related on-costs, expected settlement dates based on turnover history and medical cost trends and is discounted using corporate bond rates at balance date that most closely match the terms of maturity of the related liabilities.

***13. Provisions** continued*

Provision for Rationalisation and Restructuring Costs

Provisions for rationalisation and restructuring are only recognised when a detailed plan has been approved and the restructuring has either commenced or been publicly announced, or firm contracts related to the restructuring have been entered into. Costs related to ongoing activities are not provided for.

Other Provisions

Other provisions are recognised to cover specifically identified or obligated costs relating to the Accufix Pacing Lead and insurance claims. The Accufix Pacing Lead-related expenses include costs for patients associated with the monitoring and (where appropriate) explantation of the leads and for legal costs in defence of claims made in respect of the Accufix Pacing Leads. This provision is covered by cash required to be set aside by the Courts (refer to Note 6 Cash and Cash Equivalents – Restricted Deposits).

14. Retirement Benefit Obligations

Certain members of the Group contribute to defined benefit and defined contribution superannuation plans maintained to provide superannuation benefits for employees. They are obliged to contribute to the various superannuation plans as a consequence of legislation or Trust Deeds. Legal enforceability is dependent on the terms of the legislation or the Trust Deeds.

(a) Defined Benefit Superannuation Plans

Funding for post-employment benefits is carried out in accordance with the requirements of the Trust Deed for the Fund and the advice of the Fund's actuarial adviser. Plan assets are held in trusts which are subject to supervision by prudential regulators. Responsibility for governance of the plan, including investment decisions and plan rules, rests solely with the board of trustees of the plan.

Retirement Benefit Asset

	2021 US$m	2020 US$m
Fair value of defined benefit plan assets	**4.3**	29.5
Present value of accumulated defined benefit obligations	**(1.5)**	(27.4)
Defined benefit asset recognised in the Statement of Financial Position	**2.8**	2.1

The movements in the defined benefit asset during the year are outlined below:

	2021 US$m	2020 US$m
Balance at the beginning of the financial year	**2.1**	4.9
Actuarial gains/(losses)[(i)]	**0.3**	(2.5)
Current service cost[(ii)]	**(0.2)**	(0.2)
Net interest income[(ii)]	**–**	0.1
Employer contributions[(iii)]	**1.9**	–
Settlement losses[(iv)]	**(1.5)**	–
Net exchange differences on translation of foreign subsidiaries	**0.2**	(0.2)
Balance at the end of the financial year	**2.8**	2.1

The principal actuarial assumptions used (expressed as a weighted average) to calculate the defined benefit asset were as follows:

	2021 US$m	2020 US$m
Discount rate	**0.7%**	2.1%
Future salary increases	**3.0%**	3.0%

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Retirement Benefit Liability

	2021 US$m	2020 US$m
Present value of accumulated defined benefit obligations	**35.6**	31.8
Fair value of defined benefit plan assets	**(19.9)**	(16.9)
Net defined benefit liability recognised in the Statement of Financial Position	**15.7**	14.9

The movements in the defined benefit liability during the year are outlined below:

	2021 US$m	2020 US$m
Balance at the beginning of the financial year	**14.9**	14.7
Actuarial gains[(i)]	**(0.4)**	(0.2)
Current service cost[(ii)]	**2.5**	2.0
Net interest cost[(ii)]	**0.1**	0.1
Employer contributions[(iii)]	**(2.4)**	(1.7)
Benefits paid[(iii)]	**(0.1)**	–
Net exchange differences on translation of foreign subsidiaries	**1.1**	–
Balance at the end of the financial year	**15.7**	14.9

The principal actuarial assumptions used (expressed as a weighted average) to calculate the defined benefit liability were as follows:

	2021 US$m	2020 US$m
Discount rate	**0.7%**	1.1%
Future salary increases	**1.8%**	1.5%

(i) Actuarial gains and losses are recorded in other comprehensive income.

(ii) Current service cost and net interest are recorded in the Consolidated Income Statement as part of selling, general and administration expenses.

(iii) Employer contributions and benefits paid are cash payments and are recorded as part of payments to suppliers and employees in the Consolidated Statement of Cash Flows.

(iv) Settlement losses relate to the termination of a US cash balance pension plan and is recognised as an expense in the Consolidated Income Statement as part of selling, general and administration.

The Group expects $1.5m in contributions to be paid to its defined benefit plans during the year ending 30 June 2022.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2021 US$m	2020 US$m
Equity securities	**10%**	3%
Fixed interest securities	**76%**	34%
Property	**3%**	2%
Cash and cash equivalents	**6%**	59%
Other	**5%**	2%

(b) Defined Contribution Superannuation Plans

	2021 US$m	2020 US$m
Contributions to defined contribution plans during the year	**14.6**	12.3

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15. Contributed Equity and Reserves

(a) Contributed Equity

	Ordinary shares		Executive Share Plan shares		Treasury shares		Contributed equity	
	Number	US$m	Number	US$m	Number	US$m	Number	US$m
At 30 June 2019	132,302,593	873.5	44,700	0.4	–	–	132,347,293	873.9
Buyback/cancellation of shares	(3,775,250)	(67.9)	–	–	–	–	(3,775,250)	(67.9)
At 30 June 2020	128,527,343	805.6	44,700	0.4	–	–	128,572,043	806.0
Buyback/cancellation of shares	**(521,016)**	**(14.3)**	**–**	**–**	**–**	**–**	**(521,016)**	**(14.3)**
Purchase of treasury shares	**–**	**–**	**–**	**–**	**(700,000)**	**(22.7)**	**(700,000)**	**(22.7)**
At 30 June 2021	**128,006,327**	**791.3**	**44,700**	**0.4**	**(700,000)**	**(22.7)**	**127,351,027**	**769.0**

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax where applicable, from the proceeds. When shares are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

Ordinary shares are fully paid and do not have authorised capital or par value. They carry one vote per share and the right to dividends as declared from time to time. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan, which is open to all shareholders. Under this plan, 106,199 shares were purchased on market and issued to shareholders during the year (2020: 145,354 new shares were issued to shareholders).

Executive Share Plan

During the financial year, nil Executive Share Plan shares were paid (2020: nil). Shares allotted under the Pacific Dunlop Executive Share Plan (which was discontinued in 1996) have been paid to A$0.05 per share.

Treasury Shares

When the Ansell Limited Employee Share Plan Trust purchases equity instruments in the Company that have been identified as treasury shares, the consideration paid, including any directly attributable costs is deducted from equity, net of any related income tax effects. When the treasury shares are subsequently sold or reissued, any consideration received, net of any directly attributable costs and the related income tax effects, is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in retained earnings. Refer to Note 22 Ansell Limited Employee Share Plan Trust.

Options

As at the date of this Report, there are nil (2020: nil) unissued shares in the Company remaining under option.

(b) Nature and Purpose of Reserves

Share-based Payments Reserve

This reserve is used to record the value of equity benefits provided to employees as part of their remuneration under various Long-Term Incentive Plans. Refer to Note 23 Ownership-based Remuneration Schemes for further details of these plans.

Hedging Reserve

This reserve records the portion of the unrealised gains or losses on cash flow hedges, the cumulative net change in the intrinsic and time value of cash flow hedges that are deemed to be effective.

Other Reserve

In certain jurisdictions regulatory requirements result in appropriations being made to an other reserve.

Foreign Currency Translation Reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of the financial statements of foreign subsidiaries where their functional currency is different to the presentation currency of the Group. Refer to Note 1 Summary of Significant Accounting Policies.

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16. Dividends Paid or Declared

	2021 US$m	2020 US$m
Dividends paid		
A final dividend of US28.25 cents per share unfranked for the year ended 30 June 2020 (June 2019: US26.00 cents unfranked) was paid on 17 September 2020 (2019: 5 September 2019)	**35.4**	34.5
An interim dividend of US33.20 cents per share unfranked for the year ended 30 June 2021 (June 2020: US21.75 cents unfranked) was paid on 10 March 2021 (2020: 12 March 2020)	**41.5**	26.7
	76.9	61.2

Dividends Declared

Since the end of the financial year the Directors have declared a final dividend of US43.60 cents per share unfranked, to be paid on 16 September 2021. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2021 and will be recognised in subsequent financial reports.

Dividend Franking Account

The balance of the dividend franking account as at 30 June 2021 was nil (2020: nil).

17. Financial Risk Management

Ansell has a range of financial policies designed to mitigate any potential negative impact financial risks may have on the Group's results. The Group's risk management is carried out by a central treasury department under policies approved by the Board of Directors. The central treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's business units. The Board reviews and approves the Group's policies for managing each of these risks, which are summarised below:

- Note 17(a) Foreign Exchange Risk;
- Note 17(b) Interest Rate Risk;
- Note 17(c) Credit Risk;
- Note 17(d) Liquidity Risk; and
- Note 17(e) Commodity Price Risk.

These risks affect the fair value measurements applied by the Group, which are discussed in Note 17(f) Fair Value.

(a) Foreign Exchange Risk

The Group is exposed to a number of foreign currencies; however, the predominant operating currency is the US dollar (US$). As such the Group has determined it appropriate to manage its foreign currency exposure against the US$. On this basis the Group manages its transactional exposures as follows:

- Major revenue and cost currency net cash flow exposures are predominantly hedged back to US$ on a 12 to 18-month rolling basis so as to reduce any significant adverse impact of exchange rate fluctuations on EPS guidance provided by the Company to the market.
- Under the policy, the Group can hedge up to 90% of its estimated foreign currency exposure in respect of forecast purchases and sales.

The Group enters into a range of derivative financial instruments, which can be defined in the following broad categories:

(i) Forward Contracts

These transactions enable the Group to buy or sell specific amounts of foreign exchange or financial instruments at an agreed rate/price at a specified future date. Maturities of these contracts are predominantly up to 1 year.

***17. Financial Risk Management** continued*

(ii) Foreign Exchange Options

This is a contract between two parties, which gives the buyer of the put or call option the right, but not the obligation, to transact at a specified exchange rate. The Group typically uses a combination of bought and sold options, generally for zero cost, to hedge foreign currency revenue and cost cash flows predominantly out to 1 year.

As at 30 June, the exposure to foreign currency risk from the Group's primary trading currency (US$) is:

	2021 US$m	2020 US$m
Net receivable in non-US$ reporting entities	**47.5**	26.7

The following table demonstrates the estimated sensitivity in the valuation of outstanding forward contracts and foreign exchange options to a 10% increase/decrease in the US$ exchange rate, with all other variables held constant, on profit for the period and equity.

	Profit for the Period		Equity	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m
With all other variables held constant:				
10% increase in US$ exchange rate	**–**	–	**6.8**	7.3
10% decrease in US$ exchange rate	**–**	–	**(5.0)**	(4.1)

(b) Interest Rate Risk

The Group has a broad aim of managing interest rate risk on its debt by setting a minimum level of interest rate risk days (the weighted average term of all interest rates in the portfolio) and a minimum fixed/floating interest rate ratio. The Group enters into interest rate swaps that enable parties to swap interest rates (from or to a fixed or floating basis) for a defined period of time. Maturities of the contracts are principally between 1 and 10 years.

Prior to the beginning of each year, the Group calculates its financial budget for the upcoming year using an updated set of financial assumptions and management's view of the marketplace in the coming financial year. The Group forecasts interest rates for all debt repricing and new financing.

In this context interest rate risk is the risk that the Group will, as a result of adverse movements in interest rates, experience:

- unacceptable variations to the cost of debt in the review period for which the financial budget has been finalised; and
- unacceptable variations in interest expense from year to year.

It is recognised that movements in interest rates may be beneficial to the Group. Within the context of the Group's operations, interest rate exposure occurs from the amount of interest rate repricing that occurs in any 1 year.

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The exposure to interest rate risk and the effective weighted average interest rate for interest bearing financial liabilities are set out below:

	Weighted Average Effective Interest Rate %	Floating US$m	Fixed Interest Repricing in: 1 Year or Less US$m	1 to 2 Years US$m	2 to 5 Years US$m	> 5 Years US$m	Total US$m
2021							
Bank and other loans	3.2	130.9	–	–	200.0	120.8	451.7
Effect of interest rate swaps*	(0.1)	(40.5)	83.0	(42.5)	–	–	–
		90.4	83.0	(42.5)	200.0	120.8	451.7
2020							
Bank and other loans	3.3	155.8	50.0	–	150.0	164.1	519.9
Effect of interest rate swaps*	(0.1)	(61.7)	28.1	73.8	(40.2)	–	–
		94.1	78.1	73.8	109.8	164.1	519.9

* Represents notional amount of interest rate swaps.

A separate analysis of debt by currency can be found at Note 12 Interest Bearing Liabilities.

The table below shows the effect on profit for the period and equity, if interest rates had been 10% higher or lower with all other variables held constant, taking into account all underlying exposures and related hedges. A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term US$ interest rates.

	Profit for the Period		Equity	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m
With all other variables held constant:				
If interest rates were 10% higher	–	–	–	–
If interest rates were 10% lower	–	–	–	–

Interest rate benchmark reform

A reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative risk-free rates (referred to as 'IBOR reform'). The Group has Interest Rate Swaps (IRS's) subject to EURIBOR and GBP LIBOR reference rates. The EURIBOR reference rate will continue to be published by the European Money Markets Institute.

GBP LIBOR will cease to be published after 31 December 2021 and will be replaced by alternative Risk-Free Rates. The Group's GBP Interest Rate Swaps mature in February 2022, with the last interest rate setting occurring in August 2021. Therefore the GBP IRS's will not require to be transitioned to an alternative risk-free rate. At 30 June 2021 the USD loans are all fixed rate loans and not subject to IBOR reform.

(c) Credit Risk

The credit risk on financial assets (excluding investments) of the Group is the carrying amount, net of any provision for impairment, that has been recognised on the Statement of Financial Position. The Group is exposed to credit risk from its operating activities, primarily from customer receivables and from its financing activities, including deposits with financial institutions, foreign exchange transactions and other financial instruments.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group does not hold any collateral over any of the receivables.

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17. Financial Risk Management continued

(i) Credit Risk – Cash and Cash Equivalents

The Group held cash and cash equivalents of $240.2m at 30 June 2021 (2020: $408.9m). The material cash and cash equivalent balances are held with bank and financial institution counterparties that are rated A3 or above by Moody's Investor Service.

(ii) Credit Risk – Trade Receivables

Customer credit risk is managed by each region subject to established policies, procedures and controls relating to customer credit risk management.

The Group trades with recognised, creditworthy third parties and also minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties in various countries. Customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. In addition, receivable balances are monitored on an ongoing basis. The Group is not materially exposed to any individual customer. An ageing of trade receivables past due is included in Note 7 Working Capital.

	2021 US$m	2020 US$m
Net trade receivables	**265.5**	173.4

Individual trade receivables that are known to be uncollectible are written off by reducing the carrying amount directly. For these receivables, the estimated impairment losses are recognised as an allowance for impairment. Receivables for which an impairment provision was recognised are written off against the provision where there is no expectation of recovering additional cash. Allowances for impairment are recognised in the Income Statement. Subsequent recoveries of amounts previously written off are credited to the Income Statement. Movements in the allowance for impairment and the ageing of trade receivables are included in Note 7 Working Capital.

(iii) Credit Risk by Maturity

Based on the policy of not having material overnight exposures to an entity rated lower than A3 by Moody's Investors Service, the risk to the Group of counterparty default loss is not considered material. The following table indicates the value of amounts owing by counterparties by maturity.

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m	2021 US$m	2020 US$m	2021 US$m	2020 US$m
Term:								
0-6 months	**1.4**	1.7	**–**	–	**0.9**	1.7	**2.3**	3.4
6-12 months	**0.3**	0.3	**–**	–	**1.3**	2.0	**1.6**	2.3
1-2 years	**–**	–	**1.1**	–	**–**	–	**1.1**	–
2-5 years	**–**	–	**–**	1.8	**–**	–	**–**	1.8
> 5 years	**–**	–	**–**	–	**–**	–	**–**	–
Total	**1.7**	2.0	**1.1**	1.8	**2.2**	3.7	**5.0**	7.5

(d) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when they are due.

The Group manages liquidity risk by:

(a) maintaining adequate levels of undrawn committed facilities that can be drawn down upon at short notice (the Group's undrawn facilities are explained in Note 12 Interest Bearing Liabilities);

(b) retaining appropriate levels of cash and cash equivalents;

(c) spreading the maturity dates of long-term debt facilities between financial years (to the extent practicable); and

(d) regular monitoring of cash balances and cash requirement forecasts.

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The following table sets out the contractual maturities of the Group's financial liabilities (excluding lease liabilities – refer note 10(c) – Maturity Analysis – lease liabilities) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows comprising principal and interest repayments.

	Carrying Amount US$m	Total Contractual Cash Flows US$m	Contractual Maturity (Years) 0-1 US$m	1-2 US$m	2-5 US$m	> 5 US$m
2021						
Trade and other payables	**403.7**	**403.7**	**402.9**	**0.8**	**–**	**–**
Bank and other loans	**451.7**	**508.9**	**13.8**	**133.0**	**235.8**	**126.3**
Derivative financial instruments	**5.1**	**5.1**	**5.1**	**–**	**–**	**–**
Total	**860.5**	**917.7**	**421.8**	**133.8**	**235.8**	**126.3**
2020						
Trade and other payables	256.3	256.3	254.7	1.6	–	–
Bank and other loans	519.9	590.6	66.0	14.5	337.3	172.8
Derivative financial instruments	7.5	7.5	6.7	0.8	–	–
Total	783.7	854.4	327.4	16.9	337.3	172.8

The Group assessed the concentration of risk with respect to its financial liabilities and concluded it to be low. The Group has access to a sufficient variety of potential funding sources.

(e) Commodity Price Risk

Ansell is a significant buyer of natural rubber latex and a range of synthetic latex products. It purchases these products in a number of countries in Asia, predominantly Malaysia, Thailand and Sri Lanka. The Group is not active in hedging its purchases on rubber exchanges but may, from time to time, buy from suppliers or brokers at a fixed price for up to several months into the future. To the extent that any increases in these costs cannot be passed through to customers in a timely manner, the Group's profit after income tax and shareholder's equity could be impacted adversely.

(f) Fair Value

The Group considers that the carrying amount of recognised financial assets and financial liabilities approximates their fair value. Derivative financial instruments are carried at their fair value.

The following table displays:

(i) Nominal/Face Value

This is the contract's value upon which a market rate is applied to produce a gain or loss which becomes the settlement value of the derivative financial instrument.

(ii) Credit Risk (Derivative Financial Instruments)

This is the maximum exposure to the Group in the event that all counterparties who have amounts outstanding to the Group under derivative financial instruments fail to honour their side of the contracts. The Group's exposure is almost entirely to banks. Amounts owed by the Group under derivative financial instruments are not included.

(iii) Net Fair Value

This is the amount at which the instrument could be realised between willing parties in a normal market in other than a liquidation or forced sale environment. The net amount owing to financial institutions under all derivative financial instruments would have been $0.1m (2020: nil) if all contracts were closed out on 30 June 2021.

***17. Financial Risk Management** continued*

2021	Average Exchange Rates	Average Maturity Days	Nominal/ Face Value US$m	Credit Risk US$m	Net Fair Value US$m
Foreign exchange contracts					
Purchase/sale contracts:					
– United States dollars/Euros	1.20	143	64.2	0.6	0.4
– Australian dollars/Japanese yen	109.10	23	3.6	0.1	0.1
– Malaysian ringgit/United States dollars	4.17	195	90.6	0.4	(0.3)
– Thai baht/United States dollars	31.25	67	12.3	–	(0.3)
– Sri Lankan rupees/United States dollars	186.95	110	9.2	0.1	(0.2)
– United States dollars/Australian dollars	0.76	39	7.7	0.1	0.1
– United States dollars/Canadian dollars	1.22	33	15.5	0.2	0.2
– Other	–	–	136.1	0.3	(0.4)
Foreign exchange zero cost collar options	**Options strike rates**				
– Euros/United States dollars	1.18 – 1.23	164	145.5	1.6	0.6
– Australian dollars/United States dollars	0.72 – 0.77	121	8.9	0.1	(0.1)
– Canadian dollars/United States dollars	1.30 – 1.23	185	22.5	0.1	(0.3)
– Great British pounds/United States dollars	1.32 – 1.39	174	14.9	0.1	(0.2)
– United States dollars/Malaysian ringgit	4.16 – 4.18	145	2.4	–	–
– Japanese yen/United States dollars	107.90 – 103.79	180	6.2	0.2	0.2
– United States dollars/ Thai baht	30.63 – 31.58	180	22.9	0.1	(0.5)
Interest rate contracts					
Interest Rate Swaps:	**Interest rate %**	**Years**			
– GBP Payable fixed	0.96	0.7	83.1	–	(0.4)
– Euros Payable floating	EURIBOR	1.2	42.5	1.0	1.0
Total			688.1	5.0	(0.1)

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2020	Average Exchange Rates	Average Maturity Days	Nominal/ Face Value US$m	Credit Risk US$m	Net Fair Value US$m
Foreign exchange contracts					
Purchase/sale contracts:					
– United States dollars/Euros	1.12	98	34.8	0.1	(0.1)
– Australian dollars/Japanese yen	71.57	42	6.5	0.2	0.2
– Malaysian ringgit/United States dollars	4.26	137	108.4	0.3	(1.1)
– Thai baht/United States dollars	31.37	95	7.9	0.1	0.1
– Sri Lankan rupees/United States dollars	186.94	181	37.5	0.2	0.1
– United States dollars/Australian dollars	0.68	45	25.2	–	(0.1)
– Other	–	–	98.0	1.1	0.6
Foreign exchange zero cost collar options	**Options strike rates**				
– Euros/United States dollars	1.11 – 1.14	185	158.7	2.4	(0.3)
– Australian dollars/United States dollars	0.64 – 0.67	190	15.6	0.1	(0.7)
– Canadian dollars/United States dollars	1.38 – 1.33	190	12.6	0.2	0.1
– Great British pounds/United States dollars	1.25 – 1.32	65	6.3	0.2	0.2
– United States dollars/Mexican pesos	20.56 – 22.19	194	5.4	0.1	(0.4)
– United States dollars/Malaysian ringgit	4.21 – 4.25	85	3.9	–	(0.1)
– Japanese yen/United States dollars	102.39 – 105.88	166	7.5	0.2	0.2
– United States dollars/ Thai baht	31.22 – 32.05	162	26.6	0.5	0.4
Interest rate contracts					
Interest rate swaps:	**Interest rate %**	**Years**			
– GBP Payable fixed	0.96	1.7	73.8	–	(0.8)
– Euros Payable floating	Euribor	2.2	40.2	1.8	1.8
– Euros Payable fixed	–	0.6	28.1	–	(0.1)
Total			697.0	7.5	–

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***17. Financial Risk Management** continued*

The effects of hedge accounting on the financial position and performance of the Group is as follows:

2021	Carrying Amount of Hedging Instruments*	Change in Value of the Hedging Instrument for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in Other Comprehensive Income	Hedge Ineffectiveness Recognised in the Income Statement	Amount Reclassified from Hedging Reserve to the Income Statement
Cash flow hedges						
Revenue (up to 1 year)	0.3	0.3	(0.3)	0.3	–	(0.2)
Costs (up to 1 year)	(1.3)	(1.3)	1.3	(1.3)	–	(1.0)
EUR interest	–	–	–	–	–	(0.1)
GBP interest	(0.4)	(0.4)	0.4	(0.4)	–	(0.8)
Fair value hedges						
EUR interest	1.0	–	–	–	–	–

2020	Carrying Amount of Hedging Instruments*	Change in Value of the Hedging Instrument for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in Other Comprehensive Income	Hedge Ineffectiveness Recognised in the Income Statement	Amount Reclassified from Hedging Reserve to the Income Statement
Cash flow hedges						
Revenue (up to 1 year)	(0.2)	(0.2)	0.2	(0.2)	–	2.3
Costs (up to 1 year)	(1.0)	(1.0)	1.0	(1.0)	–	(0.3)
EUR interest	(0.1)	(0.1)	0.1	(0.1)	–	(0.2)
GBP interest	(0.8)	(0.8)	0.8	(0.8)	–	(0.2)
Fair value hedges						
EUR interest	1.8	–	–	–	–	–

* Includes the time value of foreign exchange options.

(iv) Fair Value Hierarchy

The table below analyses financial assets and financial liabilities carried at fair value, including their levels in the fair value hierarchy as well as the valuation method. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The different valuation methods have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group currently holds Level 2 derivative financial instruments and a Level 3 unlisted equity investment. In order to determine the fair value of the financial instruments, management used valuation techniques in which all significant inputs were based on observable market data. The fair value of the unlisted equity investment is calculated based on the Group's share of net assets of the investee as per the latest available information at each reporting date.

The fair values of forward exchange contracts, foreign exchange options and interest rate swaps are determined based on the unrealised gains and losses at the reporting date. This is done using the standard valuation technique based on the applicable market observable rates including spot rate, forward points, volatilities and interest rate data sourced from brokers and third party market data vendors.

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	2021 US$m	2020 US$m
Level 2		
Derivative financial assets	**5.0**	7.5
Derivative financial liabilities	**5.1**	7.5
Level 3		
Unlisted equity investment	**3.0**	3.0

(g) Recognition and Measurement

Derivatives

The Group uses derivative financial instruments, principally foreign exchange and interest rate related, to reduce the exposure to foreign exchange rate and interest rate movements.

The Group has adopted certain principles in relation to derivative financial instruments:

- Derivatives may be used to hedge underlying business exposures of the Group. Trading in derivatives is not undertaken.
- Derivatives acquired must be able to be recorded in the Group's treasury management systems, which contain extensive internal controls.
- The Group predominantly does not deal with counterparties rated lower than A3 by Moody's Investors Service.

The Group follows the same credit policies, legal processes, monitoring of market and operational risks in the area of derivative financial instruments as it does in relation to other financial assets and liabilities on the Statement of Financial Position.

On a continuing basis, the Group monitors its future exposures and on some occasions hedges all or part of these exposures. The transactions which may be covered are future net cash flows of overseas subsidiaries, future foreign exchange requirements and interest rate positions.

These exposures are then monitored and may be modified from time to time. The foreign exchange hedge instruments are predominantly up to 12 months' duration and are used to hedge operational transactions the Group expects to occur in this time frame. From time to time minor mismatches occur in the forward book; however, these mismatches are managed under guidelines, limits and internal controls. Interest rate derivative instruments can be for periods up to 10 years as the critical terms of the instruments are matched to the underlying borrowings.

Derivative financial instruments are recognised initially at fair value and subsequently remeasured to their fair value at each reporting date. The fair value of forward exchange contracts, foreign exchange options and interest rate swap contracts is determined by reference to current market rates for these instruments.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and continues to satisfy the conditions for hedge accounting, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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***17. Financial Risk Management** continued*

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives (including the intrinsic value of options) that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange forward and option contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date).

The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement. The time value of options is accounted for as a hedging cost with changes in fair value being recognised in the hedging reserve through Other Comprehensive Income.

Gains or losses that are recognised in the hedging reserve are transferred to the Income Statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer meets the conditions for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecasted transaction is ultimately recognised in the Income Statement. When a hedged transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Derivatives That Do Not Qualify For Hedge Accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement.

Hedge Effectiveness

The Group determines its economic exposure to unexpected movements in foreign currency rates and interest rates and ensures the hedging instruments entered into satisfactorily mitigate these risks. The Group ensures the changes in the fair value of the hedging instruments are highly correlated to the change in the fair value of the underlying hedged item and are therefore effective.

Potential sources of ineffectiveness include, but are not limited to:

- the Group no longer having the economic exposure rendering the hedge instrument ineffective;
- hedging instrument expires or is sold, terminated or exercised; and
- changes in counterparty credit status.

The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component.

18. Capital Expenditure Commitments

	2021 US$m	2020 US$m
Contracted but not provided for in the financial statements:		
Plant and equipment	**32.6**	36.5
Payable within one year	**32.6**	36.5

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19. Particulars Relating to Subsidiaries

	Country of Incorporation	Beneficial Interest 2021 %	Beneficial Interest 2020 %
Ansell Limited	Australia		
Ansell Healthcare Japan Co. Ltd.	Japan*	100	100
BNG Battery Technologies Pty. Ltd.	Australia	100	100
Corrvas Insurance Pty. Ltd.	Australia	100	100
Dunlop Olympic Manufacturing Pty. Ltd.	Australia	100	100
FGDP Pty. Ltd.	Australia	100	100
Nucleus Ltd.	Australia	100	100
Lifetec Project Pty. Ltd.	Australia	100	100
Medical TPLC Pty. Ltd.	Australia	100	100
N&T Pty. Ltd.	Australia	100	100
Nucleus Trading Pte. Ltd.	Singapore*	100	100
THLD Ltd.	Australia	100	100
TNC Holdings Pte. Ltd.	Singapore*	100	100
TPLC Pty. Ltd.	Australia	100	100
Societe de Management Financier S.A.	France*	100	100
Olympic General Products Pty. Ltd.	Australia	100	100
Pacific Dunlop Finance Pty. Ltd.	Australia	100	100
Ansell (Shanghai) Management Co. Ltd.	China*	100	100
Ansell (Shanghai) Commercial and Trading Co. Ltd.	China*	100	100
P.D. Holdings Pty. Ltd.	Australia	100	100
P.D. International Pty. Ltd.	Australia	100	100
Ringers Technologies Australia Pty. Ltd.	Australia	100	100
Ansell Canada Inc.	Canada*	100	100
Ansell Commercial Mexico S.A. de C.V.	Mexico*	100	100
Ansell Colombia SAS	Colombia*	100	100
Ansell Global Trading Center (Malaysia) Sdn. Bhd.	Malaysia*	100	100
Ansell Lanka (Pvt.) Ltd.	Sri Lanka*	100	100
Ansell (Middle East) DMCC	UAE*	100	100
Ringers Global Middle East FZE	UAE*	100	100
Ansell Perry de Mexico S.A. de C.V.	Mexico*	100	100
Ansell Protective Solutions Singapore Pte. Ltd.	Singapore*	100	100
Ansell Sterile Solutions Pvt Ltd	India*	100	–
Ansell Services (Asia) Sdn. Bhd.	Malaysia*	100	100
Ansell (Kulim) Sdn. Bhd.	Malaysia*	100	100
Ansell N.P. Sdn. Bhd.	Malaysia*	75	75
Ansell Malaysia Sdn. Bhd.	Malaysia*	75	75
Hercules Equipamentos de Protecao Ltda	Brazil*	100	100
Ansell Brazil LTDA	Brazil*	100	100
Ansell Textiles Lanka (Pvt.) Ltd.	Sri Lanka*	100	100
Ansell (Thailand) Ltd.	Thailand*	100	100
Ansell US Group Holdings Pty. Ltd.	Australia	100	100

***19. Particulars Relating to Subsidiaries** continued*

	Country of Incorporation	Beneficial Interest 2021 %	Beneficial Interest 2020 %
Ansell USA LLC	USA*	100	100
Ansell (USA) Inc.	USA*	100	100
Ansell Edmont Industrial de Mexico S.A. de C.V.	Mexico*	100	100
Pacific Dunlop Holdings (USA) LLC	USA*	100	100
Barriersafe Solutions International Inc.	USA*	100	100
Ansell Healthcare Products LLC	USA*	100	100
Ansell Sandel Medical Solutions LLC	USA*	100	100
Ringers Technologies LLC	USA*	100	100
Valeo Technologies LLC	USA*	100	100
Ansell Hawkeye Inc.	USA*	100	100
Ansell Liquid Asset Holdings LLC	USA*	100	100
Pacific Chloride Inc.	USA*	100	100
Pacific Dunlop Holdings LLC	USA*	100	100
TPLC Holdings Inc.	USA*	100	100
Accufix Research Institute Inc.	USA*	100	100
Cotac Corporation	USA*	100	100
Pacific Dunlop Finance Company Inc.	USA*	100	100
Comercializadora Ansell Chile Limitada	Chile*	100	100
Corrvas Insurance (Singapore) Pte. Ltd.	Singapore*	100	100
Medical Telectronics N.V.	Netherlands Ant.*	100	100
Ansell UK Limited	U.K.*	100	100
Ansell Healthcare Europe N.V.	Belgium*	100	100
Ansell GmbH	Germany*	100	100
Ansell Italy Srl	Italy*	100	100
Ansell Medikal Urunler Ithalat Ihracat Uretim ve Ticaret A.S.	Turkey*	100	100
Ansell Norway AS	Norway*	100	100
Ansell Protective Solutions AB	Sweden*	100	100
Ansell Protective Solutions Lithuania UAB	Lithuania*	100	100
Ansell Rus LLC	Russia*	100	100
Ansell Manufacturing Rus LLC	Russia*	100	100
Ansell S.A.	France*	100	100
Ansell Services Poland Sp. Z o.o.	Poland*	100	100
Ansell Spain SL (Sociedad de Responsabilidad Limitada)	Spain*	100	100
Comasec SAS	France*	100	100
Ansell Industrial & Specialty Gloves Malaysia Sdn. Bhd.	Malaysia*	100	100
Ansell Portugal – Industrial Gloves, Sociedade Unipessoal, Lda	Portugal*	100	100
Ringers Technologies Denmark APS	Denmark*	100	100
Ansell Korea Co. Ltd.	Sth Korea*	100	100
Ansell Vina Corporation	Vietnam*	100	100
Ansell Microgard Ltd.	UK*	100	100
Ansell Xiamen Limited	China*	100	100
Ansell Microgard Xiamen Limited	China*	100	100

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	Country of Incorporation	Beneficial Interest 2021 %	2020 %
Nitritex Limited	U.K.*	100	100
Nitritex (M) Sdn. Bhd.	Malaysia*	100	100
Pacific Dunlop Holdings (Singapore) Pte. Ltd.	Singapore*	100	100
Ansell India Protective Products Pvt. Ltd.	India*	100	100
Ansell (Hong Kong) Limited.	Hong Kong*	100	100
PDOCB Pty. Ltd.	Australia	100	100
PD Licensing Pty. Ltd.	Australia	100	100
Siteprints Pty. Ltd.	Australia	100	100
S.T.P. (Hong Kong) Ltd.	Hong Kong*	100	100
Pacific Dunlop Holdings N.V.	Netherlands Ant.*	100	100
The Distribution Group Holdings Pty. Ltd.	Australia	100	100
The Distribution Group Pty. Ltd.	Australia	100[(a)]	100[(a)]
The Distribution Trust	Australia	100	100
Xelo Pty. Ltd.	Australia	100	100
Xelo Sacof Pty. Ltd.	Australia	100	100

* Subsidiaries incorporated outside Australia carry on business in those countries.

(a) The trustee of The Distribution Trust is The Distribution Group Pty. Ltd. The beneficiary of the trust is Ansell Limited.

The following subsidiaries were liquidated during the year:

- Pacific Dunlop (Netherlands) B.V.
- Ringers Technologies UK Holdings Ltd.

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20. Parent Entity Disclosures

As at the end of and throughout the financial year ending 30 June 2021, the parent company of the Group was Ansell Limited.

	2021 US$m	2020^ Restated US$m
Result of the parent entity		
Profit for the period	**18.7**	23.4
Other comprehensive income	**0.2**	(1.8)
Total comprehensive income for the period, net of income tax	**18.9**	21.6

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

Financial Position of the Parent Entity at Year End

	2021 US$m	2020^ Restated US$m
Current assets	**1,141.7**	1,014.2
Total assets	**2,669.1**	2,416.6
Current liabilities	**1,578.3**	1,346.9
Total liabilities	**1,581.2**	1,351.3
Total equity of the parent entity comprising:		
Issued capital	**769.0**	806.0
Reserves	**(262.8)**	(372.7)
Retained profits	**581.7**	632.0
Total equity	**1,087.9**	1,065.3

^ The comparative information is restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies.

The Group has a net current asset position of $617.0m (2020: $552.6m), which the parent company controls. As at 30 June 2021, the parent company has a net current liability position of $436.6m (2020: $332.7m). The Directors will ensure that the parent company has, at all times, sufficient funds available from the Group to meet its commitments.

Parent Entity Guarantee

The parent entity guarantees the debts of certain subsidiaries that are guarantors under the Group's revolving credit bank facility.

21. Related Party Disclosures

(a) Subsidiaries

Ansell Limited is the parent entity of all entities detailed in Note 19 Particulars Relating to Subsidiaries and from time to time has dealings on normal commercial terms and conditions with those entities, the effects of which are eliminated in these consolidated financial statements.

(b) Transactions With Key Management Personnel

(i) Key Management Personnel Remuneration

	2021 US$	2020 US$
Short-term benefits	**8,030,640**	7,299,281
Retirement benefits	**762,550**	709,428
Termination benefits	**–**	–
Long-term equity-based benefits	**12,458,451**	3,582,529
	21,251,641	11,591,238

(ii) Service Agreements With Key Management Personnel

The Company has no service agreements with the Non-Executive Directors. Refer to Section 5 of the Remuneration Report for details of service agreements with the Managing Director and other Key Management Personnel.

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22. Ansell Limited Employee Share Plan Trust

The Group holds shares in itself as a result of shares purchased by the Ansell Limited Employee Share Plan Trust (the Trust). The trustee of Ansell Limited Employee Share Plan Trust is CPU Share Plans Pty Ltd. The Trust was established to manage and administer the Company's responsibilities under the Group's incentive plans through the acquiring, holding and transferring of shares, or rights to shares, in the Company to participating employees. In respect of these transactions, at any point in time the Trust may hold allocated and unallocated shares. This Trust is also used to facilitate the acquiring, holding and sale of shares on behalf of the Directors under the Voluntary Share Purchase Plan.

As at 30 June 2021, the Trust held 700,000 treasury shares (unallocated shares) in the Company (2020: nil) and 223,692 allocated shares (2020: 186,945).

Allocated shares

Allocated shares represent those shares that have been purchased and awarded to employees under the Short-Term Incentive Plan and Special Incentive Plan. Those shares awarded under the Short-Term Incentive Plan and Special Incentive Plan contain a post-vesting holding lock and are held on trust in respect of vested grants.

Vested shares that contain a post-vesting holding lock are restricted in that the employee is unable to dispose of the shares for a period of two years (or as otherwise determined by the Board). The Trust holds these shares on behalf of the employee until the restriction period is lifted at which time, upon the employee's choice, the Trust releases the shares to the employee or continues to hold the shares on their behalf. Allocated shares are not identified or accounted for as treasury shares.

Where the Trust purchases equity instruments in the Company, as a result of managing the Company's responsibilities for those vested shares with a post-vesting holding lock, the consideration paid, including any directly attributable costs is deducted from equity, net of any related income tax effects.

Allocated shares also include shares purchased on behalf of the Directors under the Voluntary Share Purchase Plan.

Unallocated shares

Unallocated shares represent those shares that have been purchased by the Trustee to satisfy the potential future vesting of awards granted under the Group's Long-Term Incentive Plan. As the shares are unallocated, they are identified and accounted for as treasury shares (refer to Note 15 Contributed Equity and Reserves).

Accounting policy

For accounting purposes, the Trust is deemed to be controlled by Ansell Limited. Accordingly, transactions with the Group-sponsored Trust are consolidated into the Group's financial statements. In particular, the Trust's purchases of shares in Ansell Limited are debited directly to equity. The shares are held in the Trust until such time as they may be transferred to participants of the various Group share schemes.

In accordance with the Trust Deed, the Trustees have the power to exercise all voting rights in relation to any investment (including shares) held within the Trust.

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23. Ownership-based Remuneration Schemes

Long-Term Incentive Plans

These plans involve the granting of Performance Share Rights (PSRs) to the Managing Director, other members of the Executive Leadership Team and other members of senior management.

The fair value of PSRs granted is recognised as an employee benefit expense with a corresponding increase in equity over the vesting period.

In accordance with the disclosure requirements of Australian Accounting Standards, remuneration includes a proportion of the fair value of PSRs granted or outstanding during the year. The fair value is determined as at grant date and is progressively allocated over the vesting period for these securities.

The fair values and the factors and assumptions used in determining the fair values of the PSRs applicable for the 2021 financial year are as follows:

Instrument	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
PSRs	14/8/2018	30/6/2021	A$25.57	A$27.86	N/A	2.98%
PSRs	7/8/2019	30/6/2022	A$23.78	A$25.88	N/A	2.88%
PSRs	18/08/2020	30/6/2023	A$37.28	A$39.88	N/A	2.25%

The PSRs are subject to service, gateway and performance conditions as outlined in the Remuneration Report. As the hurdles within these conditions are all non-market based performance hurdles the valuation excludes the impact of performance hurdles.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service, gateway and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service, gateway and non-market performance conditions at the vesting date.

24. Auditors' Remuneration

	2021 US$	2020 US$
Audit and review of the financial reports:		
Auditors of Ansell Limited and Australian entities – KPMG	**1,388,803**	1,236,425
Other member firms of KPMG[(i)]	**797,422**	766,619
	2,186,225	2,003,044
Other services[(ii)]:		
Other audit and assurance services		
Auditors of Ansell Limited and Australian entities – KPMG	**41,786**	18,767
Other member firms of KPMG	**21,430**	11,101
Taxation services		
Auditors of Ansell Limited and Australian entities – KPMG	**5,596**	-
Advisory services		
Auditors of Ansell Limited and Australian entities – KPMG	**-**	42,828
Other member firms of KPMG	**-**	71,176
Total other services	**68,812**	143,872
Total auditors' remuneration	**2,255,037**	2,146,916

(i) Includes fees paid or payable for overseas subsidiaries' local statutory lodgement purposes, Group reporting, and other regulatory compliance requirements.

(ii) Other services primarily include assurance-based engagements undertaken for various compliance and internal governance purposes. Other services provided by KPMG to the Group are subject to appropriate corporate governance procedures encompassing the selection of service providers and the setting of their remuneration.

25. Subsequent Events

In the interval between the end of the financial year and the date of this report, there have been no matters or circumstances that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or Group's state of affairs, in the future years.

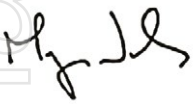
Directors' Declaration

of Ansell Limited and Subsidiaries for the year ended 30 June 2021

1. In the opinion of the Directors of Ansell Limited ('the Company'):
   (a) the consolidated financial statements and notes, set out on pages 75 to 122 and the Remuneration Report contained in the Report by the Directors, set out on pages 49 to 74, are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance, for the year ended on that date; and
      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
   (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Directors:

J A Bevan
Director



M R Nicolin
Director

Dated in Melbourne this 24th day of August 2021.

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Independent Audit Report

to the members of Ansell Limited

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Independent Auditor's Report

To the shareholders of Ansell Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Ansell Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of Financial Position as at 30 June 2021
- Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- *Valuation of goodwill and brand names*
- *Taxation*

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of goodwill and brand names (USD $1,049.6m)	
Refer to Note 11 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

Valuation of goodwill and brand names is a key audit matter due to:
• The size of the balance being 38% of total assets.
• The inherent complexity in auditing the forward-looking assumptions applied to the Group's value in use (VIU) models for each CGU (cash generating unit) given the significant judgement involved. We focussed on the significant forward-looking assumptions the Group applied in their VIU models including forecast revenue growth rates, margin percentages and terminal growth rates due to market conditions and volatility in the current year and forecast period cash flows, increasing the risk of future fluctuations and inaccurate forecasting.
• The significant judgement associated with discount rates including the underlying risks of each CGU, the countries they operate in and the weighting applied to these countries.
 	
We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	Our procedures included:
	• We assessed the accuracy of prior period cash flow forecasts with reference to actual performance to inform our evaluation of current forecasts incorporated in the VIU models.
	• We considered the appropriateness of the VIU method applied by the Group to perform the annual test of goodwill and brand names for impairment against the requirements of the accounting standards.
	• Using our knowledge of the Group and industry, and working with our valuation specialists to challenge the significant judgements and assumptions incorporated in the Group's VIU models:
	  • We assessed the integrity of the VIU models used, including the accuracy of the underlying calculation formulas;
	  • We assessed the relevant cash flow forecasts and underlying assumptions against the latest Board approved plan;
	  • We challenged the Group's forecast revenue growth rate and margin percentage assumptions by comparing against the Group's current business performance and macroeconomic environment;
	  • We challenged the Group's significant forecast cash flow assumptions in light of the varying market conditions and expected volatility in the forecast period;
	  • We compared the implied multiples from comparable market transactions to the implied multiple from the Group's model;
	  • We compared the terminal growth rates used against relevant Gross Domestic Product growth rates and industry trends; and
	  • We independently developed a discount rate range using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in.
	• We assessed the Group's determination of CGU carrying values against the requirements of the accounting standards.
	• We evaluated the sensitivity of the models in respect of the key assumptions, including the identification of areas of estimation uncertainty and reasonably possible changes in key assumptions.
	• We assessed the related financial statement disclosures using our understanding obtained from our testing and against accounting standard requirements.

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Taxation (Income Tax Expense USD$69.8m, Deferred Tax Assets USD$83.1m, Deferred Tax Liabilities USD$72.3m, Current Tax Liabilities USD$28.6m)	
Refer to Note 4 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

Taxation is a key audit matter due to:
• The Group undertaking transactions in a number of tax jurisdictions which require the Group to make significant judgements about the interpretation of tax legislation and the application of accounting standards.
• The nature of cross-border tax arrangements and our need to involve taxation specialists with cross border transactions experience and expertise in transfer pricing in key jurisdictions.
• The level of judgement applied by the Group in assessing the recoverability of deferred tax assets, given they relate to forecasting future profits.
 	
We involved our tax specialists to supplement our senior audit team members in assessing this key audit matter.
	Working with our tax specialists, our procedures included:
	• We identified key tax areas across jurisdictions impacting the Group by:
	  • considering the latest Board approved Group Tax Risk Management policy;
	  • attending regular meetings with Group management;
	  • assessing any significant developments with local tax authorities; and
	  • using our knowledge of tax developments in key jurisdictions and the global tax environment.
	• We evaluated the treatment of key judgemental tax matters in various key jurisdictions by analysing and challenging the assumptions used to determine tax provisions. We compared the treatment against local jurisdiction tax rules, legislation and compliance requirements.
	• We assessed the completeness of the tax provisions recorded by evaluating sources such as:
	  • communications from local tax authorities, including the status and outcomes of tax authority audits and enquiries; and
	  • underlying documentation for key transactions.
	• We inspected tax advice obtained by the Group from external tax advisors, covering key jurisdictions to check for any information that is contradictory to the Group's conclusion. We assessed the skills, competencies and objectivity of external advisors and evaluated the appropriateness of the external advisors' work.
	• We assessed the Group's global transfer pricing compliance by inspecting underlying transfer pricing documentation and evaluating its implementation with regard to cross-border transactions.
	• We assessed the Group's position on recoverability of deferred tax assets through their tax loss utilisation models by comparing current year taxable profit with historical performance to inform our evaluation of future taxable profit forecasts.
	• We assessed the disclosures in the financial report using our understanding from our testing and against accounting standard requirements.

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Other Information

Other Information is financial and non-financial information in Ansell Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

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Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Ansell Limited for the year ended 30 June 2021, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included on pages 54 to 74 of the Directors' Report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

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Penny Stragalinos

Partner

Melbourne

24 August 2021

Five-Year Summary

of Ansell Limited and Subsidiaries as at 30 June 2021

	2017* US$m	2018* US$m	2019* US$m	2020^ Restated US$m	2021 US$m
Income Statement					
Sales	1,600	1,548	1,499	1,614	**2,027**
EBIT	218	557	157	217	**338**
Net financing costs	23	13	14	17	**20**
Income tax expense	45	58	30	42	**69**
Non-controlling interests	2	2	1	1	**2**
Profit attributable to Ansell Limited shareholders	148	484	112	157	**247**
Statement of Financial Position					
Cash – excluding restricted cash and deposits	314	580	395	406	**236**
Other current assets	546	561	564	554	**931**
Property, plant and equipment	218	230	230	252	**295**
Right-of-use assets	-	-	-	56	**61**
Intangible assets	1,050	1,028	1,083	1,055	**1,077**
Other non-current assets	122	112	105	115	**138**
Assets held for sale	201	12	-	-	**-**
Total assets	2,451	2,523	2,377	2,438	**2,738**
Current trade and other payables	222	223	226	255	**403**
Current interest bearing liabilities	4	-	20	50	**-**
Current lease liabilities	-	-	-	18	**21**
Other current liabilities	94	71	67	85	**126**
Non-current interest bearing liabilities	717	552	525	470	**452**
Non-current lease liabilities	-	-	-	39	**43**
Other non-current liabilities	142	121	129	124	**128**
Liabilities held for sale	43	6	-	-	**-**
Total liabilities	1,222	973	967	1,042	**1,173**
Net assets	1,229	1,550	1,410	1,396	**1,565**
Contributed equity	1,142	1,052	874	806	**769**
Reserves	(78)	(82)	(86)	(120)	**(85)**
Retained profits	147	564	610	698	**867**
Ansell Limited shareholders' equity	1,211	1,534	1,398	1,384	**1,551**
Non-controlling interests	18	16	12	12	**14**
Total shareholders' equity	1,229	1,550	1,410	1,396	**1,565**
Total funds employed	1,636	1,522	1,560	1,567	**1,845**
Share information					
Basic earnings per share (US cents)	100.1	336.8	82.6	120.2	**192.2**
Diluted earnings per share (US cents)	98.9	331.9	81.2	118.4	**189.6**
Dividends per share (US cents)	44.00	45.50	46.75	50.00	**76.80**
Net assets per share (US$)	8.3	10.9	10.7	10.9	**12.3**
General					
Net cash from operating activities	216	154	189	287	**173**
Capital expenditure	51	46	44	61	**86**
Shareholders (no.)	36,798	34,307	33,311	33,903	**35,760**
Employees (no.)	15,483	12,482	12,304	13,513	**14,159**
Ratios					
EBIT margin (%)	13.6	36.0	10.5	13.4	**16.7**
Return on average shareholders' equity (%)	12.7	35.0	7.6	11.3	**16.8**
EBIT return on funds employed (%) – ROCE	13.6	35.3	10.2	13.9	**19.8**
Average days working capital	83.2	82.1	84.3	78.7	**79.3**
Interest cover (times)	9.6	44.6	11.6	12.5	**17.0**
Net debt to shareholders' equity (%) – gearing	33.1	(1.8)	10.6	12.3	**17.9**
Number of shares at 30 June (million)	147	142	132	129	**127**

* 2017, 2018 and 2019 represent the reported amounts from their respective years. 2017 and 2018 include continuing and discounted operations.

^ Restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited Financial Statements.

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Shareholders

Distribution of Ordinary Shareholders and Shareholdings

Details of quoted shares held in Ansell Limited as at 30 July 2021 are detailed below.

Size of Holding	Number of Shareholders	Number of Shares	Percentage of Total
1 – 1,000*	29,616	9,698,613	7.57
1,001 – 5,000	5,987	11,561,813	9.03
5,001 – 10,000	447	3,068,919	2.40
10,001 – 100,000	176	4,221,980	3.30
100,001 and over	33	99,455,002	77.70
Total	**36,259**	**128,006,327**	100.00

* Including 595 shareholders holding a parcel of shares of less than A$500 in value (1,659 shares), based on a market price of A$39.25 per unit.

Percentage of the total holdings of the 20 largest shareholders = 75.95%.

In addition to the foregoing, as at 30 June 2021, there were eighteen members of the Executive Share Plan, holding a total of 44,700 plan shares. Thirteen members have shares paid to A$0.05 each, and five members have shares paid to A$7.55 each.

Voting rights as governed by the Constitution of the Company provide that each ordinary share holder present in person or by proxy at a meeting shall have:

(a) on a show of hands, one vote only; and

(b) on a poll, one vote for every fully paid ordinary share held.

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Twenty Largest Shareholders (as at 30 July 2021)

Rank	Registered Holder	Number of Fully Paid Shares	Percentage of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	46,082,341	36.00
2	J P Morgan Nominees Australia Pty Limited	19,774,760	15.45
3	Citicorp Nominees Pty Limited	12,892,489	10.07
4	National Nominees Limited	6,829,707	5.34
5	HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	2,117,496	1.65
6	BNP Paribas Noms Pty Ltd <DRP>	1,665,259	1.30
7	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	1,490,115	1.16
8	Australian Foundation Investment Company Limited	1,078,865	0.84
9	Netwealth Investments Limited <Wrap Services A/C>	763,076	0.60
10	CPU Share Plans Pty Ltd <PSR Nor Unallocated A/C>	700,000	0.55
11	National Nominees Limited <DB A/C>	668,908	0.52
12	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	611,184	0.48
13	HSBC Custody Nominees (Australia) Limited - A/C 2	409,607	0.32
14	BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	389,719	0.30
15	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	383,789	0.30
16	Australian Executor Trustees Limited <No 1 Account>	304,745	0.24
17	AMP Life Limited	285,423	0.22
18	Mirrabooka Investments Limited	273,499	0.21
19	BNP Paribas Noms (NZ) Ltd <DRP>	259,347	0.20
20	Australian Executor Trustees Limited <IPS Super A/C>	243,535	0.19
Top 20 Holders of Ordinary Fully Paid Shares		97,223,864	75.95
Total Remaining Holders Balance		30,782,463	24.05

Register of Substantial Shareholders (as at 18 August 2021)

The names of substantial shareholders in the Company and the number of fully paid ordinary shares in which each has an interest, as disclosed in substantial shareholder notices to the Company on the respective dates shown, are as follows:

Substantial Date	Name of Shareholder	Number of Shares	Percentage of Issued Shares
25 August 2020	BlackRock Group	8,426,325	6.6%
18 March 2020	Vanguard Group	7,740,284	6.0%
12 August 2021	Vinva Investment Management Limited	6,456,499	5.0%

Shareholder Information

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Annual Report

Ansell's Annual Report 2021 provides shareholders with a summary of the Group's operations and contains the full financial statements for FY21. The Annual Report 2021 provides a summary of the Group's financial performance, financial position, and financing and investing activities.

Ansell currently has an on market buyback program which stipulates that the Company cannot buyback more than 10% of its voting shares within the span of any twelve (12) month period.

Ansell Limited has opted to deliver its Annual Report by making it available on the Ansell website, www.ansell.com.

Shareholders are entitled to receive a printed copy of the Annual Report, but the Company will only send a printed copy to shareholders who elect to receive one.

Shareholders can also access other information pertaining to the Company and its activities from its website at www.ansell.com.

Change of Address

Shareholders should notify the Company in writing immediately if there is a change to their registered address.

For added protection, shareholders should quote their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

Dividend

A final dividend of US43.60 cents per share will be paid on 16 September 2021 to shareholders registered on 31 August 2021.

The dividend will be unfranked.

Australian and US shareholders must elect to have cash dividends paid directly into any bank, building society or credit union account in Australia and the US (respectively). Shareholders with a registered address in Canada can receive their dividends in US dollars.

Company Directory

The Annual Report and the Company's website are the main sources of information for investors. Shareholders who wish to contact the Company on any matter relating to its activities are invited to contact the most convenient office listed below, or contact the Company via its website at www.ansell.com.

Investor Relations Contact

Australia – Registered Company Office

Ms Anita Chow
Ansell Limited
Level 3, 678 Victoria Street
Richmond VIC 3121
Telephone: +61 3 9270 7229
Facsimile: +61 3 9270 7300
Email: anita.chow@ansell.com

Europe

Mr Zubair Javeed
Ansell Limited
Boulevard International 55
1070 Anderlecht, Belgium
Telephone: +32 2 528 75 85
Facsimile: + 32 2 528 74 01
Email: zubair.javeed@ansell.com

Company Secretary

Australia – Registered Company Office

Ansell Limited
Level 3, 678 Victoria Street
Richmond VIC 3121

Ms Catherine Stribley
Telephone: +61 3 9270 7125
Facsimile: +61 3 9270 7300
Email: catherine.stribley@ansell.com

Mr Martin Evans
Telephone: +61 3 9270 7105
Facsimile: +61 3 9270 7300
Email: martin.evans@ansell.com

Enquiries

Shareholders requiring information about their shareholdings should contact the Company's registry at:

Computershare Investor Services Pty Ltd

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
or
GPO Box 2975
Melbourne VIC 3001 Australia
Telephone: +61 3 9415 4000
Facsimile: +61 3 9473 2500
Shareholder Enquiries: 1300 850 505 (Australian residents only)
Email: web.queries@computershare.com.au
or visit Computershare's Investor Centre online at www.investorcentre.com where shareholder information can be accessed. You will need to have your SRN or HIN along with your postcode.

Listings

Ansell Limited shares (Ticker Symbol ANN) are listed on the Australian Stock Exchange.

Registered Office

Company Secretaries
Catherine Stribley and Martin Evans
Level 3, 678 Victoria Street
Richmond VIC 3121
Australia

Americas Commercial Hub

Commercial contact: Renae Leary
111 Wood Avenue, Suite 210
Iselin, NJ 08830
United States of America

EMEA/APAC Commercial Hub

Commercial contact: Rikard Froberg
Boulevard International 55
1070 Anderlecht
Belgium

Cyberjaya Commercial Hub

Commercial contact: John Marsden
Prima 6, Prima Avenue
Block 3512, Jalan Teknokrat 6
63000 Cyberjaya
Malaysia

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2022 Financial Calendar*

Half year results announcement	15 February 2022
Ex-dividend share trading commences	21 February 2022
Record date for interim dividend	22 February 2022
Interim dividend paid	9 March 2022
Annual results announcement	23 August 2022
Ex-dividend share trading commences	29 August 2022
Record date for final dividend	30 August 2022
Final dividend paid	15 September 2022
Closing date for nomination of Directors for election	15 September 2022
Annual General Meeting	17 November 2022

* Timing of events may be subject to change. Any change will be notified to the Australian Securities Exchange (ASX). See Ansell's website for updates (if any).

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