



Protection in a Pandemic World

Annual Report 2020

Ansell

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About Ansell

Ansell has evolved its heritage from an Australian rubber latex products manufacturer to one of the world's most advanced safety solutions providers. Every day millions of people around the world depend on Ansell. With Ansell products they always know they are protected and can perform safely and effectively. Our category expertise, innovative products, trusted brands and advanced technologies give peace of mind and confidence that no other company can deliver.

By expanding the Company's global reach, category depth and robust innovation pipeline, we support our customers' growth and provide solutions for new needs. This approach allows us to continue to deliver for our customers, employees and shareholders.

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.

Creativity

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

Passion

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

Involvement

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

Teamwork

We value collaboration and a sense of partnership and sharing.

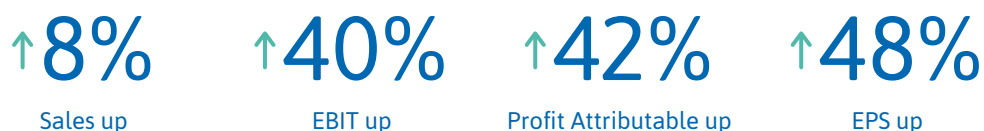
Excellence

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



Financial Summary

Statutory Results Ansell Group



Adjusted Results*



Adjusted Results in Constant Currency*



Industrial GBU Results

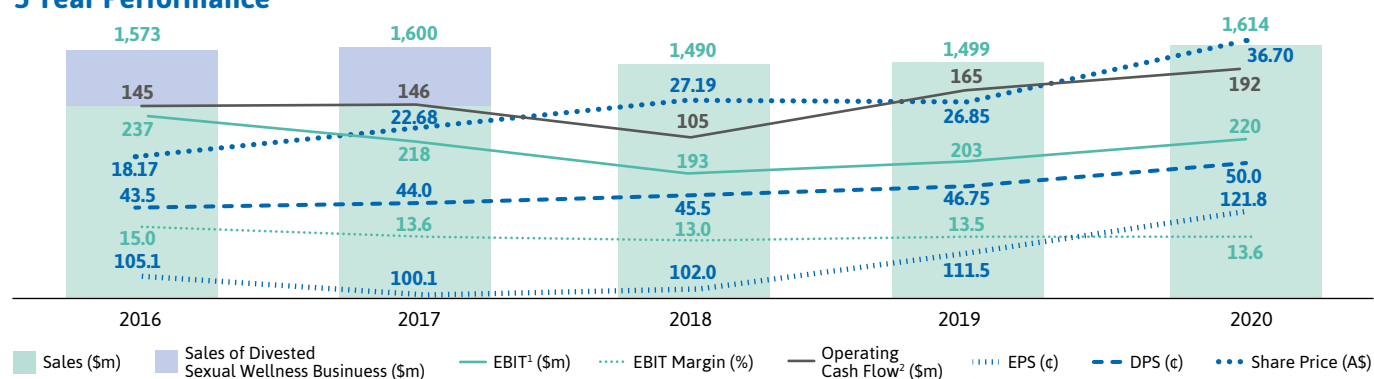


Healthcare GBU Results



* Comparison of FY20 Statutory Results to Adjusted FY19. Refer to definition of Adjusted Results, Constant Currency, and Organic Growth on page 5.

5 Year Performance



Total Group Statutory Results before the Sale of the Sexual Wellness Business

Results from Continuing Operations after the Sale of the Sexual Wellness Business

	2016 US\$m	2017 US\$m	2018 Adjusted ³ US\$m	2019 Adjusted ³ US\$m	2020 US\$m
Sales	1,572.8	1,599.7	1,489.8	1,499.0	1,613.7
EBIT ¹	236.7	217.8	193.1	202.8	219.7
Profit Attributable	159.1	147.7	146.7	150.9	158.7
Operating Cash Flow ²	144.8	146.0	104.5	164.7	191.7
Earnings Per Share (US cents)	105.1	100.1	102.0	111.5	121.8
Dividends Per Share (US cents)	43.5	44.0	45.5	46.75	50.0
Ansell Share Price (A\$)	18.17	22.68	27.19	26.85	36.70

^ Refer to page 5 for footnote details.



Results Commentary

We have provided our results on both a Statutory and Adjusted basis. The FY19 statutory results have been adjusted to remove the costs associated with the Transformation Program that was concluded in that year. No adjustments have been made to the FY20 statutory results. The adjusted results show solid revenue and profitability growth in what was another successful year.

US\$m	Statutory Results		Adjusted Results ¹	
	FY19	FY20	FY19	FY20
Sales	1,499.0	1,613.7	1,499.0	1,613.7
EBIT ¹	157.3	219.7	202.8	219.7
Profit Attributable	111.7	158.7	150.9	158.7
Operating Cash Flow ²	133.3	191.7	164.7	191.7
Earnings Per Share – US cents	82.6	121.8	111.5	121.8
Dividends Per Share – US cents	46.75	50.0		

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.

1. EBIT

EBIT is defined as Earnings Before Interest and Tax.

2. Operating Cash Flow

Operating Cash Flow is defined as net cash provided by operating activities (after tax paid) per the Consolidated Statement of Cash Flows adjusted for capital expenditure, lease payments, interest received and paid (net interest).

3. Adjusted Results

The FY19 Adjusted Results are defined as corresponding financial measures derived from the Group's audited financial statements adjusted to remove the costs associated with the Transformation Program which was concluded in that year. FY19 Transformation Program adjustments to EBIT, Profit Attributable, Operating Cash Flow and Earnings Per Share are explained on pages 17 and 18 of this report and detailed in Note 3(b) to the Group's audited financial statements. No adjustments have been made to the FY20 results.

4. 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 dollars 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.

5. Adjusted Constant Currency

Adjusted constant currency is constant currency (as described above) after excluding the impact of Transformation Program costs in FY19.

6. Organic Growth

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

Ansell During the COVID-19 Crisis

Our Safety Mission

The safety of our Ansell team members and the people we protect every day around the world remains our number one focus. This is a moment in time when the work we are doing is at its most critical. We know that people around the world are depending on us.



Employee Safety First

Supported by the global crisis team formed at Ansell in the earliest days of the COVID-19 outbreak, the team at our Xiamen manufacturing plant in China moved quickly to implement extensive precautions to prevent the spread of the virus among our workforce. The best practices and safe operations developed in Xiamen have been leveraged across our manufacturing operations and shared with our suppliers. We remain extremely diligent relating to the continued well-being of our employees.

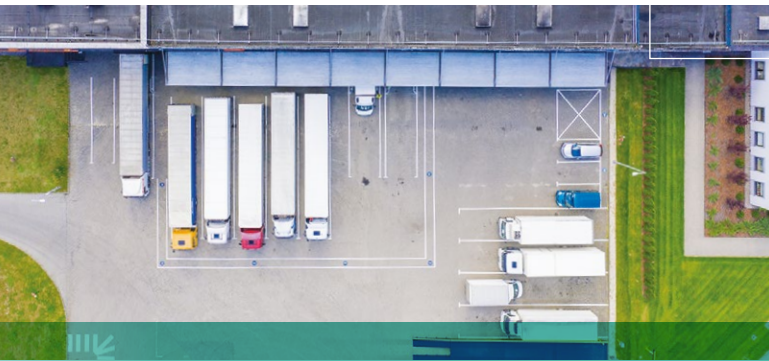
PPE Demand Surges

Demand surged for single use and exam gloves, body protection suits and masks as COVID-19 spread globally. Despite intermittent restrictions on the movements of workers and temporary plant shutdowns in some of the countries in which Ansell operates, we are achieving high levels of production.



Operations Respond

Ansell is meeting the needs of our core customers while responding to unprecedented global demand from healthcare workers and people in essential industries, including food service and agriculture, law enforcement and first responders, transportation and logistics, critical manufacturing, and many more.



Ensuring Supply

Exceptional efforts are being made in our warehouses and by our distribution partners to ensure on time, in full product delivery. When our EU supply chain experienced disruption, we pivoted to re-organise our supply lines from Asia to Russia, Turkey and the Middle East.



Working Virtually

Employees at our corporate hubs and regional offices have spent the last several months working from home. Many juggle childcare and miss life with colleagues at the office. But collectively, we have made a seamless transition and are successfully maintaining productivity whilst working remotely. While some of our salespeople are beginning to visit with customers (diligently employing safety precautions), IT communications solutions remain the overall and preferred way to maintain customer contact.



Expanding Capacity

Planned expansions of a number of our manufacturing facilities are moving forward and projects have been accelerated in Vietnam, Thailand, Malaysia, Sri Lanka, Portugal and China. We are also working with our distribution facilities to increase capacity and resolve disruptions caused by transport delays.



Some Costs Soar

Ansell will never seek to exploit the extraordinary circumstances we are experiencing in this pandemic, but rising costs of some raw materials and outsourced products are resulting in price increases for some of our products globally. This includes raw materials used in our AlphaTec® Chemical Protective Clothing and Exam & Single Use gloves produced by our outsourced suppliers.

Donations

For the year ended 30 June 2020, Ansell has donated close to 4 million pieces of PPE, including gloves, masks and protective suits, to 55 organisations around the world and continues to provide support to local communities.

Chairman's Review

The financial result for the year has exceeded our expectations and we expect demand to remain strong for the foreseeable future.

John Bevan – Chairman



Dear Fellow Shareholders

I am honoured to have taken over from Glenn Barnes as Chairman of your Board. I would never have imagined that in the immediate period following Glenn's retirement the Company would have faced the unprecedented challenges caused by the COVID-19 pandemic. But it is a testament to Glenn's leadership that he assembled such a diverse and capable Board to complement our first-class global management team.

Glenn left a company with the ability to generate resilient cashflows throughout the cycles in its markets, a very strong balance sheet, and with sufficient financial facilities to ride through foreseeable shocks it might encounter. Because of this Ansell was well-prepared to play its part as a leading global Personal Protection Equipment (PPE) company in extraordinary circumstances.

Clearly, this was the year of contrasting halves. In the first half, demand reflected a slowing world economy which, nonetheless saw Ansell's performance markedly improve on the back of the successful execution of our Transformation Program. This resulted in significant additional capacity worldwide and a simplified manufacturing footprint of higher performing plants consolidated over a smaller number of key geographies. As we entered the second half the Company was performing well.

The first challenge of the pandemic was to ensure the safety of our employees. This focus was uppermost as our Chinese plants, largely manufacturing Chemical Protective Clothing, required the urgent return of our employees after the Chinese New Year to meet the urgent demands of the crisis. We operated safely in China and transferred our learnings to our other plants internationally so that they could demonstrate to concerned authorities that they too could operate safely. Our two principal manufacturing centres in Malaysia and Sri Lanka experienced limited periods of lockdown (as mandated by the respective governments), but we were able to resume production to supply global markets at a time of unprecedented demand.

Owing to our global nature, Ansell was well-prepared with modern off-site communications systems. Hence, we were able to carry on nearly all aspects of our business and continue to supply without our employees having to visit their office or meet customers face-to-face. It is a tribute to senior management's leadership that we adopted new ways of working around the world while responding to the enormity of unprecedented demand for our products. By far the most pleasing dimension

of our response to me is that we have maintained the safety and well-being of our employees as our top priority in these extraordinary circumstances.

The financial result for the year has exceeded our expectations and we expect demand to remain strong for the foreseeable future. While we cannot predict the course of the virus or indeed how governments will respond in the future, the Board is continuing to support investment in capacity and capability throughout this period.

Since the onset of the COVID-19 pandemic the Board has been operating virtually. The AGM in November 2020 will be a virtual meeting too. This is because our Directors are located in 8 different cities around the world and, from a safety perspective, the Company is reluctant to bring either the Board or senior management together physically for the meeting.

For the same reason, we have deferred anticipated Board and senior management changes. Non-executive Director, Marissa Peterson, was due to retire at the 2020 AGM, but because of the uncertainties of current global markets amid the COVID-19 pandemic, the impending CEO succession and the inability to travel to meet and interview prospective Directors, we have asked her to stay on an extra twelve months until 2021, at which point Marissa and Peter Day will both step down from the Board. Similarly, as the Board's ability to assess CEO candidates depends on the resumption of face to face meetings, due to travel restrictions imposed around the world, the Board also asked Magnus Nicolin to stay on as CEO for an expected extra six months until the end of calendar year 2021.





For many reasons, the pandemic has heightened the potential for companies supplying PPE products to compromise their values. This can arise from pressures to misallocate scarce supply, from temptations to charge well over acceptable margins, and so on. Your Board and senior management have been careful to maintain the values and standards at the core of Ansell's reputation, conducting its business fairly and responsibly. In the same way, our plants have resumed full production within the labour standards framework we set ourselves prior to the onset of the emergency.

Some of the challenges we encountered during the pandemic have caused us to lose some momentum in improving our environmental impacts and aligning with TCFD recommendations. This applies in the short-term, with improvements in our levels of carbon emissions and water use not having progressed as we would have liked this year, however we remain committed to doing better. Full details will be published in our forthcoming Sustainability Report, which will be accompanied by our Modern Slavery Statement to be reported under Australian legislation for the first time.

As my first year as Chairman of your Company closes, I want to conclude with a simple message of thanks to the people of Ansell. Your Company has been tested on so many fronts and has come through these tests extremely well. Undoubtedly, there will be more tests to come.



A handwritten signature in black ink, appearing to read 'John Bevan'.

John Bevan
Chairman

Chief Executive Officer's Review

After another strong year, Ansell has delivered strong growth in sales and earnings combined with robust cash flow generation and improved return on capital employed.

Magnus Nicolin – Managing Director and Chief Executive Officer



I couldn't be prouder of the way your Company has responded to the COVID-19 pandemic this year. As our families, friends and customers in every part of the world braced to deal with the impact of COVID-19, Ansell was asked to make extraordinary efforts to step up and help. Ansell's mission of protecting people was unexpectedly centre stage of a global emergency.

Your Company did step up: we maintained supply despite unprecedented disruption, we found ways to materially boost our volumes, we re-assured authorities our plants were safe such that we could continue to operate when others were forced to close, we re-focused our production lines towards products most in need, and we organised all this mainly from the homes of our employees. I think all of us at Ansell discovered this year what the Company is capable of achieving and what it means to be a global leader.

Ansell and the Global Pandemic Crisis

As the pandemic moved around the world, we realised Ansell possessed a unique vantage point. Our initial learning experience took place in China in early February, where we quickly adopted entirely new operating procedures at our Xiamen plant to enable us to expand production while keeping our employees safe amidst the COVID-19 outbreak.

We then replicated this new best in class way of working at all of our other plants around the world. In March and April, we faced sudden shutdowns and production curfews in many of our manufacturing jurisdictions including Malaysia, Sri Lanka, Thailand and Vietnam, but our experience from China enabled us to show regulators that we could expand production while working safely. We were also able to explain that our business had responsibilities to global markets that ran well beyond the borders of the locations of our plants.



In tandem, our business moved out of our offices to the homes of our employees all around the world. Because we routinely communicate from dispersed locations and had recently upgraded our communications technology, we could effectively work from home. We found ourselves doing everything from fulfilling orders to conducting AnsellGUARDIAN® safety audit services of complex customer needs online.

We don't expect the world to return to pre-COVID-19 norms for at least another 18-24 months, and we believe the Company is well-prepared to continue to work in a COVID-19-impacted environment for the foreseeable future.

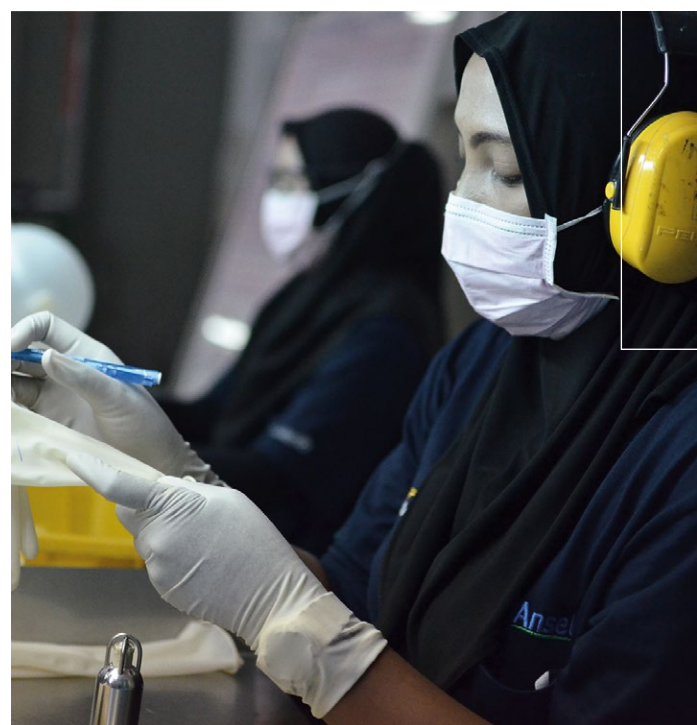
Our Performance

Ansell's business performance in the face of the pandemic has been first rate. Our organic sales increased 7.6%. Our EBIT and EPS on an adjusted constant currency basis have improved 21% and 24% respectively, and cashflow on an adjusted basis increased 16% with cash conversion of 118%.

Our EBIT on an adjusted constant currency basis and cash-flow have now grown at double digit percentage rates per year on average for the last three years and our cash conversion has exceeded 100% on average over this same period, illustrating the strength and capability of Ansell.

The key to our ability to successfully manage through the COVID-19 crisis is our long term focus on enhancing the product portfolio. Over the last 10 years we have consistently built a focused portfolio of safety solutions by investing more than \$1 billion in M&A, \$500 million in equipment and IT, while divesting non core businesses worth more than \$600 million, such as Sexual Wellness and rubber boots. We have also substantially improved our innovation and production capabilities to support our differentiated range of products. A more sizeable safety inventory of critical products established before the crisis has also allowed us to respond faster to competitive conversions.

Consequently, the Company has delivered a result at the very top end of earnings per share guidance in FY20, at \$1.22 per share, and we are furthermore in the position to provide strong growth guidance for FY21.



Our Global Production Platform

I am pleased to say that the pandemic has seen Ansell firmly consolidate its position as a global PPE sector leader. This sector has so far played a critical and positive role everywhere. Personal protection is now well understood and in a post-pandemic world will be valued like never before.

We had already started to expand our capital investment in late FY19 and FY20, and have now significantly increased the level of investment in our business across many of our geographies, from \$42 million average annual spending in FY17–FY19 to approximately \$60 million in FY20, and we expect to increase that again in FY21 to approximately \$100 million.

Growth in the Pandemic – Boosting Capacity Across the Portfolio and Around the World

Increased capacity of TouchNTuff® single use gloves: new plant in Thailand on track for launch Q2 FY21

Synthetic Surgical: 2 new lines (one in Malaysia, the other in Sri Lanka) coming on stream Q3 FY21

New HyFlex® lines in Vietnam, Sri Lanka and Portugal

Chemical: 3 new lines in Malaysia

Body Protection: expansions in China, Sri Lanka, Brazil and Lithuania

Electrical gloves (RIGS): production expansion in Malaysia

Russia Localisation: new Hycron® glove factory in Russia, catering for 'made in Russia'

Expanded capacity of Drybox laboratory products and capacity for cleanroom packaging



Reflecting on our Strategy

It is timely to reflect on why Ansell has managed the challenges of the pandemic so capably.

Fortuitously, our planned evolution to a more balanced portfolio saw us make decisions before the pandemic that gave us extra capacity in healthcare and hybrid-use gloves. The Careplus joint venture, which was signed in February, gave us access to significant extra Surgical and Exam volumes. New equipment to expand Surgical volumes in FY21 in Sri Lanka and Malaysia was ordered last year. In addition, the first of the four lines at our new Bangkok plant was under construction well before the pandemic and is expected to be commissioned during the second quarter of FY21. The plant was designed to produce a functional Industrial product in the TouchNTuff® range that has a higher permeation capability than virtually any other single use glove anywhere – an important feature for Industrial customers bringing plants back to production in a COVID-19-present environment who want a sturdy single use glove that can last the whole day with both a chemical shield as well as a viral shield.

More fundamentally, our strategy expressed in our Eight Dimensions of Differentiation has served us extremely well. We have built a specialist global manufacturing company, well-grounded in numerous capabilities (see our Eight Dimensions of Differentiation diagram on page 14), with a uniquely broad and balanced range of high-quality, complementary personal protection products. Our portfolio gives us the flexibility to deal with shocks and move resources from one business unit to another. All of these factors made our response to the COVID-19 crisis possible, confirming the power of our strategy against which we continue to execute.

A comparison with the experience of the Global Financial Crisis in 2009 underlines how Ansell has evolved over the last ten years. At that time, the Company was much more dependent on Mechanical glove categories (which then declined by 15% in sales) and other traditional products. The really extraordinary demand for supply this year has been in Exam & Single Use which we have

tripled in size following several acquisitions in recent years, together with Life Sciences and Body Protection, neither of which formed part of our portfolio ten years ago. In addition, we were able to switch our workforce and resources to focus on the highest demand products and to re-direct the sales team targeting Mechanical and other sales to Chemical, Body Protection and Exam & Single Use (with this increase in demand more than offsetting declines in Cut & Specialty products). Despite this shift, our sales of the Mechanical range held up much better than in 2009, declining only 2% YoY. This flexibility in our portfolio has enabled us to succeed in a very turbulent environment.

Our Outstanding People

It has been a privilege for me to witness the fantastic work ethic and passion of our Ansell team in the face of critical human need. Our employees have stepped up in highly uncertain environments, working harder and more effectively than ever, to ensure our products get to customers. Our manufacturing and warehouse teams have come to work even when many others would not, and while Ansell has focused on providing a safe working environment, I am nevertheless so thankful for the strong commitment we have seen in all Ansell locations. These are the commitments that make Ansell, Ansell. I stand in awe of my colleagues around the world and I thank them from the bottom of my heart.

We are a confident company which stands ready to drive further growth and deliver solutions the world needs to overcome this virus. When the COVID-19 crisis is over, we will be even stronger, and we will continue to invest and acquire for scale and further profitable growth.



Magnus Nicolin
Managing Director and Chief Executive Officer



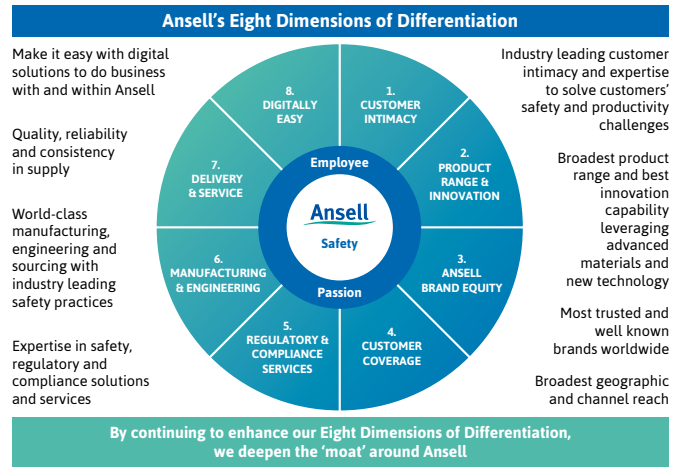
Strategy

Ansell has global market-leading positions in single and multi-use hand protection products for industrial and surgical applications. We also have fast-growing positions in industrial Chemical Protective Clothing products, safety solutions for surgical operating theatre and clean room laboratory environments. Overall, our product range is well balanced between products that are driven by cyclical economic demands and those that are considered more counter cyclical. Furthermore, demand for a number of our products has been very strong as a result of the global response to COVID-19.

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.

Ansell's continued ability to build and maintain its leading positions in these attractive markets arises from a number of strengths:

- Foremost, there is the breadth and performance of our unmatched product range. 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 end users.
- We are uniquely positioned to provide global solutions as the only industry participant with leading market positions in a number of 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 advancing our strategic goals in FY20 were unchanged from the prior year and commenced with a focus on the following main objectives:

- Completing the multi-year Transformation Program to realise significant efficiencies in our manufacturing and supply chain functions.
- New product development.
- Growing our emerging market footprint.
- Strengthening brand performance by expanding existing growth brands.
- Building stronger and deeper partnerships with our key distribution partners.
- Working to resume growth of our leading synthetic surgical range.
- Reducing wastage levels in our key manufacturing plants.
- Improving service and quality metrics to ensure Ansell is the leading company globally on these criteria as well as in product performance.
- Ongoing productivity savings stemming from our capital investments and our sharper focus Transformation Program.
- Further advancing our work in relation to Sustainability.
- Strategic and disciplined acquisition evaluation.

Our progress on these goals are detailed on pages 17 to 23.

COVID-19 Response Initiatives

As the COVID-19 pandemic unfolded globally in the second half of the fiscal year, demand surged for our key healthcare, single use and Chemical Protective Clothing products. Our earlier efforts to improve our supply chain and clear backorders allowed the business to respond strongly to the increased demand. A pandemic response team was formed internally and monitored the health and well-being of Ansell’s workforce.

We temporarily closed our offices worldwide and cancelled in-person sales and customer meetings and trade shows. Our office-based employees moved to remote working using our very effective IT platforms which were upgraded last year.

Whilst countrywide lockdowns impacted some of our manufacturing sites, intense lobbying efforts by our local management teams resulted in their reopening once appropriate safety measures were put in place. We implemented new steps such as entry screening (i.e. temperature, travel history), social distancing, PPE, increased sanitation of surfaces and workflow changes.

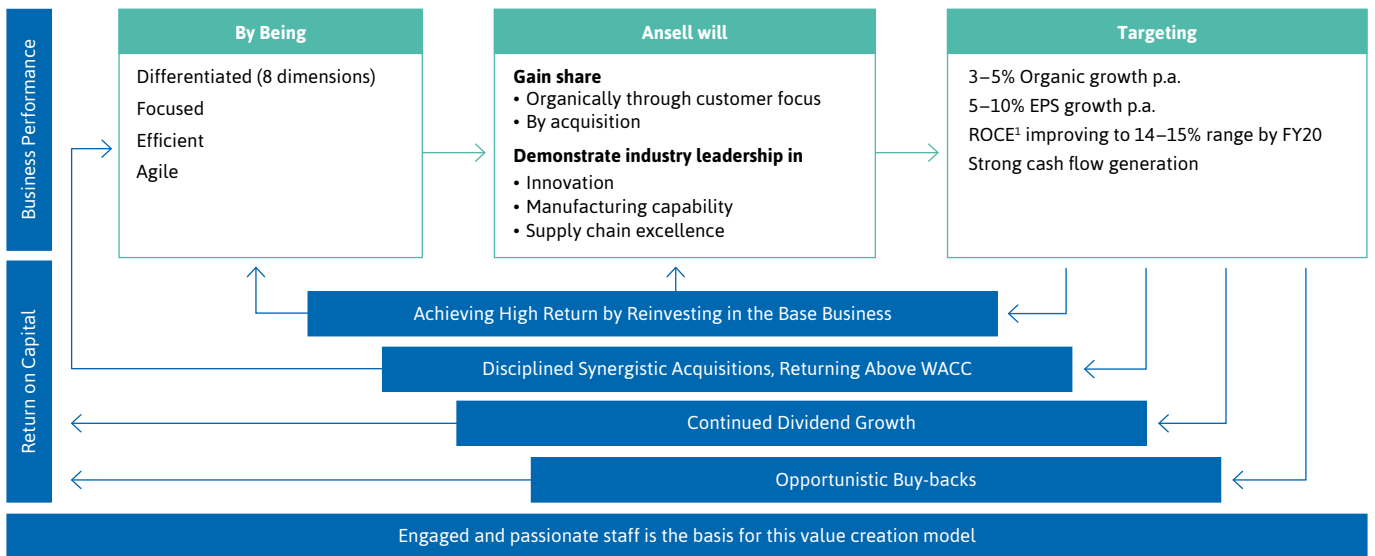
Given the strong demand for some of our products, we undertook temporary rationalisation of our product portfolio to help maximise output of those products with very strong demand. We also invested in expanding capacity, particularly Chemical Protective Clothing in China and Sri Lanka and are working hard to complete our Thailand expansion for production of our TouchNTuff® single-use gloves.

From a customer perspective, we have focused on our existing customers and put in place a strict product allocation and prioritisation process. We have also switched to virtual selling and made some changes to the focus of our sales team, from heavy industry and automotive to higher growth verticals such as cleaning services, food and government.

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 at our October 2017 Capital Markets Day is summarised below.



1. Excluding impact of the Transformation Program and phasing the impact of recent acquisition costs in the funds employed over a three year period.



Outlook

Organic Growth and Profitability

The impact of COVID-19 on the global economy and the markets in which Ansell operates continues to evolve. Although we cannot predict the severity of COVID-19 around the world, we do expect it to remain a challenge through FY21 and possibly into FY22 as well. We believe the Company is well positioned to continue to respond and adapt. We have a well-balanced portfolio with strong brands that served us well in FY20 and are expected to do so in the future.

The Exam & Single Use industry is expected to continue to see extreme supply shortages over the medium term, resulting in significant cost increases which will likely continue. Our sales pricing will therefore need to remain dynamic. These costs are expected to be recovered, however EBIT margin is likely to be negatively impacted due to cost pass through.

The outlook for our Strategic Business Units is expected to remain mixed throughout FY21, with strong growth in Exam & Single Use, Chemical, Surgical and Life Sciences, tempered by weakness in Mechanical. We expect overall organic growth to be higher than the 3–5% long term target levels partly due to increased prices and volumes.

Working Capital and Cash Flow

Working capital comprises Inventory, Trade Receivables and Trade Payables and is a key driver of cashflows along with capital expenditure.

Inventory will continue to be managed with a view to increasing our On Time In Full (OTIF) customer satisfaction metric. Accordingly, inventory levels will be ordered with forward looking sales in mind and will reflect the higher anticipated demand in future periods. Our stock turnover metric is also anticipated to be higher, reflecting the higher sales relative to the inventory on hand. Whilst tightly controlled, Trade Receivables could also trend higher as a result of higher sales and their timing. Trade Payables will likely trend in accordance with inventory although there are increasing demands for up front payment by certain suppliers and this may adversely impact cashflows in FY21.

Capital expenditure in FY21 is forecast to be within a range of \$95m to \$105m, which is well above the FY20 level of \$64.8m. Both years are above past spending levels and reflect the ongoing expansion of production capacity due to increased demand along with continued focus on automation to further drive efficiencies in our operations.

Capital Deployment and ROCE

The Company continues to target ROCE levels within the above range. Capital expenditure will be elevated during FY21 to target growth initiatives and this will have an initial adverse impact on ROCE until the investments achieve their full run rate returns.



Our Performance

Financial Reporting Presentation

One off costs (prior year)

To ensure that the commentary enables an understanding of the underlying performance of the Group, the FY20 financial results will be compared to the FY19 Adjusted Results, which have been adjusted to remove the costs associated with the Transformation Program.

Foreign Exchange Impacts and Organic Growth

Ansell is a US\$ reporting entity with a majority of its commercial operations transacting in US\$. However, Ansell also has substantial non-US\$ transactions across a diverse 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, FY19 Transformation Program costs and also the effect of acquisitions, divestments and exited products.

Income Statement

	FY19			FY20	
	Total Group	Transformation	Adjusted	Total Group	Δ CC %
Sales	1,499.0	-	1,499.0	1,613.7	9.3%
GPADE	514.1	-	514.1	556.3	14.3%
GPADE margin %			34.3%	34.5%	
SG&A	(356.8)	45.5	(311.3)	(336.6)	10.4%
% to sales			20.8%	20.9%	
EBIT	157.3	45.5	202.8	219.7	21.0%
% to sales			13.5%	13.6%	
Net Interest	(13.6)	-	(13.6)	(17.4)	28.4%
Taxes	(30.6)	(6.3)	(36.9)	(42.2)	26.5%
Minority Interests	(1.4)	-	(1.4)	(1.4)	7.7%
Profit Attributable	111.7	39.2	150.9	158.7	19.0%
EPS (US¢)	82.6¢	29.0¢	111.5¢	121.8¢	23.6%
Dividend	46.75¢			50.0¢	

Group Sales¹

Ansell achieved very strong organic growth in FY20 of 7.6%. The business achieved organic growth of 2.4% during the first half of FY20 which was increased to 12.7% during the second half, predominately due to the impact of COVID-19.

The HGBU business saw 13.4% growth whereby strong performance during the first half of FY20 was further accelerated by COVID-19 related demand, particularly for Exam & Single Use products.

The IGBU business experienced modest growth of 1.3% despite a severely impacted macro backdrop. Increased demand for Chemical Protective Clothing and Gloves more than offset softness in Mechanical.

The Company saw strong growth from North America and Asia Pacific while growth was softer in EMEA and LAC, in part due to their higher Mechanical exposure. Emerging markets contributed 21% to sales and remain a key growth driver with 8% organic growth. However, this growth was not significantly higher than developed markets as a large part of COVID-19 growth came from developed markets.

Ansell is investing in additional capacity to support higher growth areas (i.e. Exam & Single Use and Chemical Protective Clothing). In areas where there is reduced demand (i.e. Mechanical), the business is pivoting to higher growth verticals by repositioning existing products and launching new products to meet the new needs associated with COVID-19 (i.e. antiviral and antimicrobial).

1. All growth rates are based on organic growth, which is year over year growth on a constant currency basis and excluding acquisitions and divestitures.

Our Performance continued

Group EBIT

Gross profit margins after distribution expenses were up slightly year over year to 34.5%. Margin increases were achieved due to the Transformation Program benefits flowing through as well as net favourable raw material costs and pricing initiatives. However, these were partly offset by increased manufacturing costs due to government mandated plant shutdowns, other COVID-19 related costs, and adverse foreign exchange impacts.

SG&A costs were higher year over year as a result of the full year contribution of Ringers and Digitcare as well as the higher employee costs as a result of better than anticipated results, despite savings in travel and other discretionary expenditures. SG&A expenditures as a percentage of sales were steady year over year at 20.9%.

With GPADE² margins and SG&A costs both steady as a percentage of sales, EBIT margins were also steady. Growth in EBIT was therefore due predominantly to the strong sales growth achieved.

Borrowing Costs and Taxes

Interest expenses increased by \$3.8m due partly to the lease interest expenses of \$1.5m, which were treated as part of SG&A under the previous lease accounting standard. The remaining increase in interest costs of \$2.3m was due to lower interest receipts on cash deposits.

Tax expense increased due to the combination of higher profits and a higher effective tax rate of 20.9%, which is closer to the long term average for the Group.

Working Capital

Overall working capital was significantly lower than the prior year driven by a combination of lower trade receivables and higher trade payables. Inventory finished slightly higher year over year. Each of these are discussed further below.

Trade Receivables

During the second half of FY20, the Group received very large orders from its customers around the world resulting in a significant increase in receivables during that period. A diligent and thorough process of review was conducted to ensure that increased limits and exposures were provided to financially secure customers. With demand strongest in the months of March and April, the Group focused its collection efforts in May and June to record strong cash collections in those periods. As such, and with more normalised sales in May and June, the trade receivables balances reflected a more subdued finish to the year than May and June of the previous year. Our trade receivables were well managed in FY20.

Inventory

In an effort to overcome backorders resulting from supply chain difficulties, the Group had already decided to invest in higher inventory during FY19 and in the early part of FY20. These initiatives enabled the Group to meet the strong demand during the year and achieve the reported sales results. With an eye for further growth in FY21 and to minimise the possibility of supply chain disruptions, purchases for raw materials were accelerated in Q4 and production continued at elevated levels. This has resulted in an increased level of inventory, although offset by higher trade payables. Overall the stock turnover metric has improved considerably year over year and reflects a step change improvement in inventory management.

Trade Payables

The increased purchases in the fourth quarter of FY20 resulted in higher trade payables at year end. While some suppliers requested up-front payments for purchases, Ansell was able to maintain regular trading terms with the majority of its suppliers given the long-standing relationships in place. Nevertheless, there remains a genuine level of stress across most supply chains given the uncertainties faced, and Ansell is continuing to work closely with suppliers to minimise disruptions.

Cash Flow

Introduction of Lease Accounting Standard – AASB 16

AASB 16 was introduced with effect from 1 July 2019. Lease payments that would previously have been expensed (i.e. as rental expense) and recorded as part of operating cashflows are now financing cashflows in the form of payments to repay lease liabilities and payments for lease interest. The impact on the cashflow statement was to increase net cash inflows from operations and increase net cash outflows from financing.

Net Cash Flow From Operating Activities

The Group generated \$290.9m of net cash inflow from its operating activities, which was up 54% on the \$188.9m the previous year. However, the increase is 23% after normalising FY19 for cash Transformation Program costs and FY20 for the lease accounting impacts as per the table below:

Net cash inflow from operating activities	FY19	FY20	% Change
Statutory	188.9	290.9	+54%
Transformation cash costs	31.4	-	n/a
Lease payments reported as financing cash outflows	-	(21.8)	n/a
Adjusted	220.3	269.1	+23%*

* The year over year improvement of \$48.8m (23%) reflects higher profits and an improved working capital position, offset by higher tax paid during FY20.

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

Net Cash Used in Investing Activities

Cash used in investing activities was \$74.8m, which was below the prior year of \$123.7m primarily due to last year's acquisitions totalling \$75.5m.

Capital Expenditure – Payments for Property, Plant and Equipment and Intangible Assets

During FY20, the Group focused on continuing its ambitious capital investment program to ensure that capacity constraints were addressed. Major capital investments included:

- Expansion of our Lat Krabang facility in Thailand for TouchNTuff® branded single use products;
- Surgical and AlphaTec® chemical resistant product expansion in our Malaysian and Sri Lanka plants;
- Chemical Protective Clothing investments in China and Sri Lanka;
- New HyFlex® lines in Vietnam, Sri Lanka and Portugal;
- Electrical gloves (RIGS) production expansion in Malaysia; and
- Early stage of Russia localisation and expanded capacity for cleanroom packaging.

We also continued to invest in production automation.

Payments for Investments

The Group invested in two exciting opportunities:

1. Careplus joint venture in Malaysia – \$8.9m
2. Modjoul technology investment – \$3m.

Careplus is a Malaysian surgical and single use glove manufacturer and the investment allowed Ansell access to a significant existing source of supply to meet increased demand. Furthermore, the joint venture partners have committed to increasing the capacity at the Careplus site in Kuala Lumpur, Malaysia to bring further capacity on board during FY21.

Modjoul is an exciting technology investment which provides Ansell with world leading motion detection technology for the purpose of tracking hand injury incidents in end users, with initial integration planned for mechanical gloves.

Net Cash Used in Financing Activities

Cash used in financing activities decreased by \$55m despite the addition of \$21.8m of lease payments previously included in net operating cashflows under the previous lease accounting standard. The main driver of the year over year change was the reduction in the share buyback expenditure, which was down significantly against the prior year. \$17.6m was used to repay US\$ borrowings that fell due this year whilst a further \$14.3m was spent to meet obligations under employee incentive programs by way of on-market purchases of shares.



Healthcare Global Business Unit

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

The portfolio includes surgical gloves, single use and examination gloves, clean and sterile gloves and garments, and consumables used by healthcare, life sciences and industrial workers.

Strong Brands And Successful Innovations



GAMMEX®
Advanced glove technologies delivering 19% new product development growth

GAMMEX® PI Hybrid
PI Hybrid success, enabled by HYBRID™ Technology innovation, continues to grow in mature markets



BioClean™
Double digit profitable growth

BioClean™ S-BDSH
Disposable garment offering true aseptic donning for sterile controlled/critical environments



MICROFLEX®
Achieved more than \$270m in global sales

MICROFLEX® 93-260
Continued growth and development of innovative multi-layer single use gloves

Financial Summary

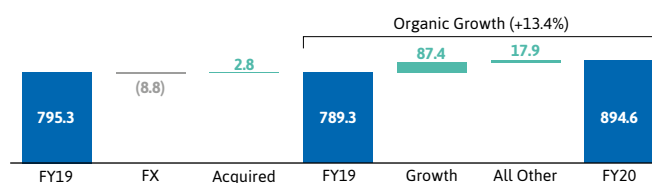
US\$m	FY19	FY20	% Change	Δ CC% ¹
Sales	\$795.3m	\$894.6m	12.5%	13.8%
EBIT ²	\$115.3m	\$141.8m	23.0%	34.7%
% EBIT/sales	14.5%	15.9%		

1. CC refers to adjusted constant currency as described on page 5 of this Report.

2. FY19 EBIT excludes the impact of Transformation Program costs of \$3.1m.

Sales Performance

Organic sales increased 13.4%. The business experienced strong momentum in the first half of FY20 with growth of 3.4%, but was held back temporarily by back orders. The resolution of this combined with COVID-19 related demand, particularly for Exam & Single Use products resulted in strong growth in the second half of FY20. All regions saw strong demand, with heightened performance from developed markets due to COVID-19. Emerging Markets achieved growth of 16.1% with strong performances from China, India, Latin America and CEE.



Portfolio Highlights

- Exam & Single Use saw strong growth occurring in both Industrial Applications (up 19%) and Medical Applications (up 16%). COVID-19 has resulted in significantly increased demand for these products which is expected to continue for at least another 12 months.
- The actions taken in relation to Surgical in the last few years with respect to salesforce and geographic focus and capacity investment has allowed the business to deliver solid organic growth of 4.1%, albeit this was adversely impacted in the last quarter of FY20 due to postponement of non-urgent elective surgeries.
- Life Sciences continued to expand due to investment in distribution partnerships, major account wins and increased market share in North America, all leading to solid overall growth of 16.3%.

EBIT Performance

EBIT in constant currency terms increased 34.7%. The business benefited from increased volumes, pricing initiatives, manufacturing efficiencies and net favourable raw material costs. This was partly offset by COVID-19 costs. Currency was a negative headwind which resulted in EBIT growth reducing to 23%.

Brands **GAMMEX®** **MICROFLEX®** **TouchNTuff®** **SANDEL®** **ENCORE®** **BioClean** **EDGE®**



Industrial Global Business Unit

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

Strong Brands And Successful Innovations



AlphaTec®
Surpassed \$200m Sales for the first time

AlphaTec® 37-310

Reusable food processing gloves providing multi-risk protection from chemicals and viruses (EN ISO 374-5)



HyFlex®
#1 Global Brand¹
Approaching \$300m

HyFlex® 11-542 and HyFlex® 11-280

HyFlex® gloves and sleeves provide outstanding comfort and are designed with INTERCEPT™ Technology for best-in-class cut protection

1. For Mechanical Hand Protection

Financial Summary

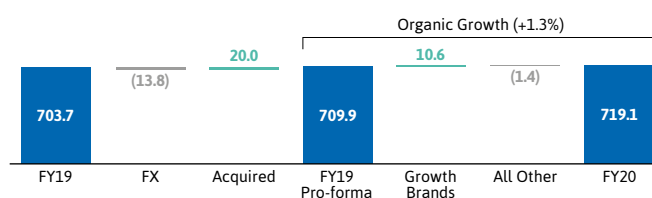
US\$m	FY19	FY20	% Change	Δ CC% ¹
Sales	\$703.7m	\$719.1m	2.2%	4.2%
EBIT ²	\$98.7m	\$92.4m	(6.4%)	7.0%
% EBIT/sales	14.0%	12.8%		

1. CC refers to adjusted constant currency as described on page 5 of this Report.

2. FY19 EBIT excludes the impact of restructuring and Transformation Program costs of \$34.1m.

Sales Performance

Sales were up 4.2% on a constant currency basis and organic growth up 1.3% after normalising for acquisitions. Asia Pacific and EMEA were both up on the prior year however North America was flat and Latin America was down 4.5%.



Portfolio Highlights

- Mechanical sales were down 2.0% compared to the prior year. Growth of 0.5% was achieved in the first half of FY20, however the adverse impact of COVID-19 on the global economy (particularly the automotive, oil & gas and heavy industries) resulted in a 4.6% decline during the second half. Despite this, Multi-Purpose gloves demonstrated strong growth throughout the year. Our lightweight HyFlex® gloves designed with FORTIX™ Abrasion Resistance Technology (HyFlex® 11-840 and HyFlex® 11-841) continued to grow and outperform the competition providing extreme durability and enhanced grip.
- Chemical protection grew strongly and was up almost 8% for the year. It saw growth of 3% during the first half of FY20 as products continued to gain traction with new innovation and investment in the AnsellGUARDIAN® platform and expanded chemical testing capabilities. Growth increased to 12.6% during the second half of FY20 due to a significant increase in demand for Chemical Protective Clothing as a result of COVID-19, particularly from Governments, Non-Governmental Organisations and the private sector.

EBIT Performance

EBIT in constant currency terms increased 7.0%. The business benefited from increased volumes, pricing initiatives and the Transformation Program. However, these were partly offset by product mix and increased labour costs as well as COVID-19 costs. Currency was a negative headwind driving EBIT down 6.4%.

Brands

HyFlex®

AlphaTec®

ACTIVARMR®

EDGE®





Sustainability

Ansell is recognised as a leader in the safety industry; with that comes an expectation that we uphold the highest standards concerning the environment, society and governance. In FY20 we have continued to actively manage our impacts in the areas outlined by our 'Responsible and Responsive Strategy & Purpose'.

A Responsible and Responsive Strategy & Purpose

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

This year, we have focused on increasing the maturity of our approach in key areas. In conjunction with independent advisors, we have:

- updated our materiality assessment
- worked to understand the modern slavery risks in our operations and supply chains, and to improve our pathways for risk mitigation and remediation

- continued to work towards alignment with the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

We assessed our material Environment, Social & Governance (ESG) risks and opportunities using an approach guided principally by the *Global Reporting Initiative Standards 2016*, including engagement with internal and selected external stakeholders. We identified our material topics as below, with the most material shown in bold:

Better Society	<ul style="list-style-type: none"> • Labour rights • Employee health and safety • Recruitment and engagement 	<ul style="list-style-type: none"> • Diversity and inclusion • Community engagement and investment • Business ethics and governance
Better Environment	<ul style="list-style-type: none"> • Energy and emissions • Responsible supply chains • Water • Product stewardship • Climate risk 	<ul style="list-style-type: none"> • Operational resource efficiency and waste minimalisation • Environmental impact and compliance • Chemicals and hazardous materials
Better Business	<ul style="list-style-type: none"> • Quality protection solutions • Automation and digital disruption 	<ul style="list-style-type: none"> • Business continuity and demand response • Research and development and innovation • Geopolitical disruption

In this report, we address a subset of these topics that are of particular interest to our stakeholders: climate risk, modern slavery and employee health and safety – covering both our own operations and our supply chain. We also acknowledge the growing interest – accelerated by COVID-19 – in product stewardship, especially our products' end of life. This is a relatively new area of focus for us, which, along with our other material topics, will be discussed in our Sustainability Report, to be released later in 2020.

Our approach to sustainability, including labour rights, modern slavery and climate change, is overseen by our Board of Directors, supported by the Sustainability & Risk Committee and the Audit & Compliance Committee. The Sustainability & Risk Committee is supported by our cross-functional management CSR & Sustainability Council. The Council is responsible for the development and operational implementation of Ansell's strategic approach to sustainability. The Council is led by the General Counsel and provides updates to the CEO, the broader executive leadership team, and the Board of Directors.

Climate Risk

“We are committed to continually improving our climate change strategy and risk management to deliver our vision of aligning to the TCFD Recommendations.”

In FY19 Ansell commenced a 3-year project to identify, manage and disclose climate-related risks in alignment with the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

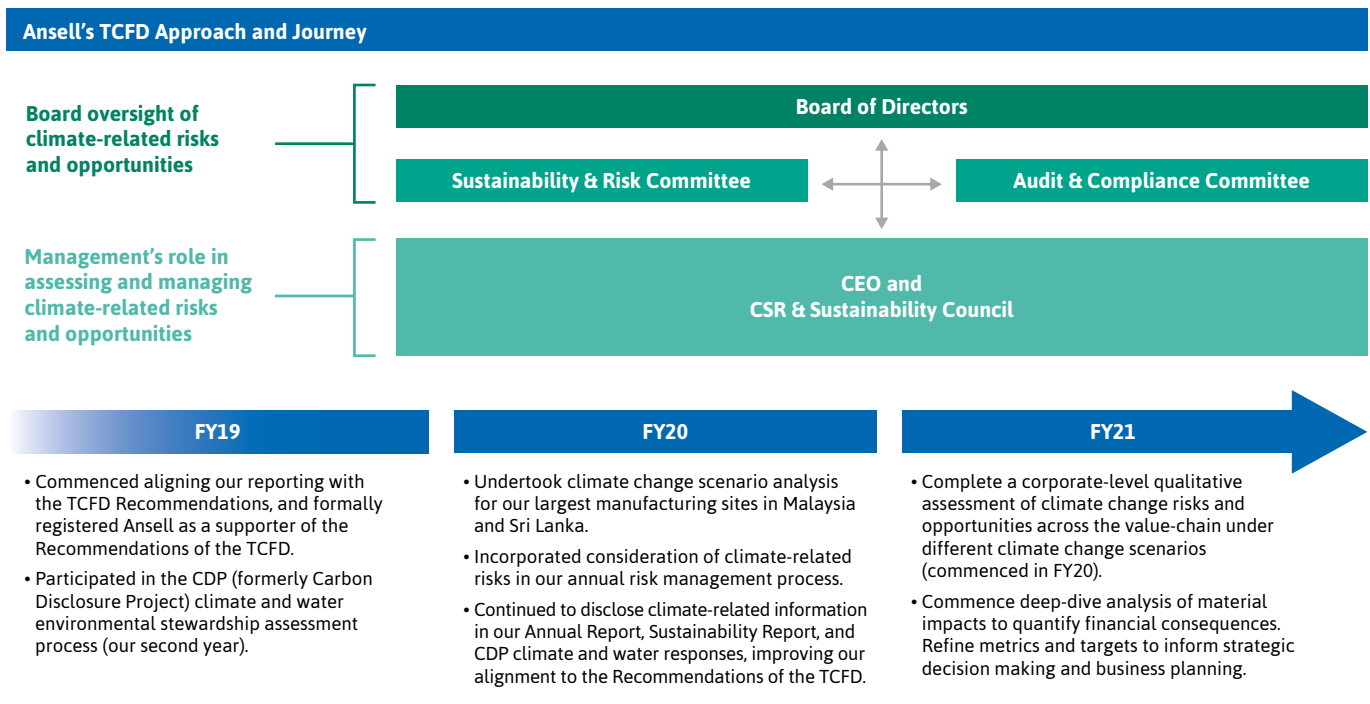
Our approach to climate change is overseen at board level, as detailed below and on page 24.

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

Although overall progress has been impeded by COVID-19, in FY20 we undertook climate change scenario analysis to explore the risks and opportunities presented by climate change at our major manufacturing sites in Malaysia and Sri Lanka. This analysis included assessing physical and transition risks and opportunities under a high emissions scenario and a low emissions scenario.³

Consideration of climate-related impacts has been incorporated into Ansell’s Risk Management processes, which provides a framework for prioritising climate impacts and other emerging risks based on consideration of the likelihood and the impact of potential risks and opportunities. The Risk Management Framework also guides the process for managing and treating identified risks.

Further details on our climate change risks and opportunities will be disclosed in Ansell’s 2020 Sustainability Report.

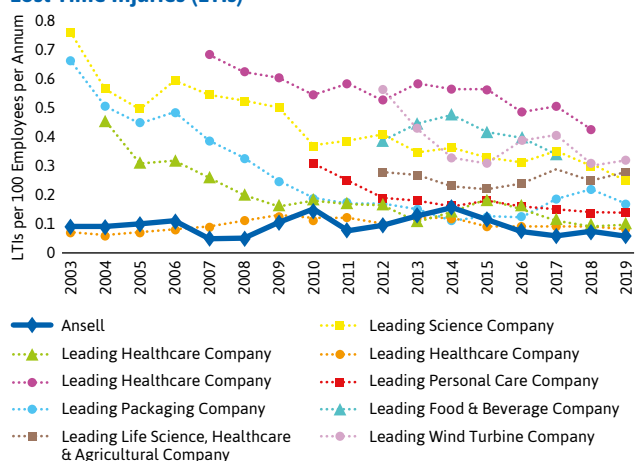


3. The results of the scenario will be disclosed in our 2020 Sustainability Report.

Employee Health and Safety

As a company whose business is safety, Ansell holds safety for our own workers as fundamental to our way of working. Our 5-Point Safety Charter reinforces our focus on prevention, training, awareness, monitoring and reporting. It is supported by Environmental, Health and Safety (EHS) policies which apply to all our operations globally. Our leading practice approach to EHS is borne out by our track record of injury rates.

Lost Time Injuries (LTIs)



This year, we grappled with the need to protect the safety of our employees at the same time as responding to sharply increased demand for our products. The steps we took included:

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

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

Labour Rights and Modern Slavery

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.

In recent years, we have invested significantly in our systems and processes to prevent and address modern slavery and other labour rights concerns within our business and supply chains. However, we recognise that some of the sectors and geographies in which we operate are at increased risk of modern slavery. We have more to do, particularly in our supply chain, to ensure we can better identify, assess and address risks, and remediate harms.

In our operations we have been tackling a historical issue, widespread in the glove manufacturing industry, relating to recruitment fees. These fees were solicited and received by third parties, but Ansell has this year decided to undertake repayment of the fees to our affected workers.

There have been concerning allegations this year regarding the treatment of workers in our supply chain, in particular finished goods suppliers in Malaysia. In line with best practice guidance on remediation, we have not walked away from these suppliers, but choose to engage with them on how to improve their practices. We are monitoring their performance closely. We have seen improvements as a result; however, these are complex and systemic issues that will take time and multi-party collaboration to address adequately.

Ansell's human rights policy framework outlines our minimum expectations for labour standards and working conditions across our operations and supply chain. This framework includes our Code of Conduct, Labour Standards Policy, Human Rights Statement, and Supplier Code of Conduct, which have all recently been updated.





Assessment of Modern Slavery Risks

In FY20, Ansell engaged an independent third-party advisor to conduct an inherent risk assessment of our operations and tier one suppliers. We have been highly conscious of the risk profile of our operations in Sri Lanka and Malaysia (based on prior risk assessment), but wanted to develop a better picture of our overall risk profile. The assessment included a review of the inherent country and industry risks associated with our operational activities and tier one suppliers.

In our operations, we found:

- the majority of our operational activities are considered medium to low risk for modern slavery
- our manufacturing sites are higher risk for modern slavery, both because of the nature of the activities conducted in those sites, and the countries in which they are located
- our operations in Latin America had a higher proportion of high-risk activities than any other geography.

In our supply chain, we found we have a number of direct suppliers in high-risk geographies or industries, but the majority of our suppliers operate in medium-risk geographies or industries.

Ansell also undertook a causation analysis to understand our relationship to the risks identified and our leverage to make positive impacts in our operations and supply chains. We will use this analysis to guide our future actions.

Monitoring Compliance

Within our own operations, Ansell monitors employee working hours, overtime and rest days to assess compliance with local laws and our own policies. This monitoring is conducted both internally and through third-party audits.

Ten of our 14 manufacturing sites have been subject to a third-party audit. Non-conformances identified included the payment of recruitment fees discussed above. The completion of corrective actions arising from audits have led to notable

improvements in the performance of our plants. Audits of our remaining sites were delayed due to COVID-19, but are planned for FY21.

Employees can raise issues via a 24-hour confidential, non-retaliation, grievance hotline, as well as via human resources and management channels. We track grievances raised and resolved monthly. We also seek feedback from employee representatives and trade unions.

We monitor supplier performance through processes including:

- quarterly or half-yearly supplier performance reviews, which include consideration of their performance against labour standards
- third-party audits employing the Sedex Members Ethical Trade Audit (SMETA) and Business Social Compliance Initiative (BSCI) frameworks; however, these have been impeded during FY20 by COVID-19
- processes to review audit reports, monitor non-conformances and completion of corrective actions arising from third-party audits and track upcoming audits
- monitoring some suppliers using a supplier risk matrix, which tracks supplier's performance across a range of metrics including labour standards.

Our evaluation of new suppliers includes questions on labour rights, and third-party audits are a pre-condition for supplying the Healthcare Global Business Unit (HGBU), a practice we are looking to extend to all suppliers managed by the Global Sourcing Team.

Next steps

We are currently developing a program of work for FY21 to further strengthen our operational controls.

Our detailed Modern Slavery Statement, prepared in accordance with the Australian *Modern Slavery Act 2018*, will be released by December 2020 and will be available on our website.

Board of Directors



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 Share Buyback Sub-Committee and member of the Human Resources Committee and the M&A Sub-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.

Chair of the Human Resources Committee and member of the Audit & 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 & Compliance Committee and member of the Sustainability & Risk Committee, M&A Sub-Committee and Share Buyback Sub-Committee.

Current Directorships: Non-executive Director and Audit & 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.

Chair of the Sustainability & Risk Committee and member of the Audit & Compliance Committee, Governance Committee and Share Buyback Sub-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.



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 Audit & Compliance Committee and Sustainability & Risk Committee, Chair of the M&A Sub-Committee.

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

Former Directorships: Ascom Holdings 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 & Risk Committee, the Human Resources Committee, the Governance Committee and M&A Sub-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 now 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 & 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 Sustainability & Risk Committee, Human Resources Committee and Share Buyback Sub-Committee.

Current Directorships: Chairman of McMahon Services (2019 to present), Non-executive Director of Hudson Institute of Medical Research (2016 to present).

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



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,
 Corporate Marketing
 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





Report by the Directors

This Report by the Directors of Ansell Limited ('the Company') is made for the year ended 30 June 2020. The information set out below is to be read in conjunction with:

- Operating Financial Review appearing on pages 14 to 23;
- Remuneration Report appearing on pages 43 to 68; and
- Notes 22 and 23 to the 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:

- Glenn L L Barnes (former Chairman)¹
- Magnus R Nicolin (Managing Director and Chief Executive Officer)
- John A Bevan (Chairman)²
- W Peter Day
- Leslie A Desjardins
- Nigel D Garrard³
- Marissa T Peterson
- William G Reilly
- Christina M Stercken
- Christine Y Yan

1. Retired from the Board on 14 November 2019.

2. Appointed as Chairman of the Board, effective from 15 November 2019.

3. Appointed to the Board on 1 March 2020.

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 28 and 29.

Details of meetings of the Company's Directors (including meetings of Board Committees) and each Director's attendance are set out on page 34.

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.

Principal Activities

The activities of Ansell Limited and its subsidiaries ('the Group') principally involve the development, manufacturing and sourcing, distribution and sale of gloves and personal protective equipment in the industrial and medical end 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 FY20 were:

Company strategy
& performance

Board &
management
succession

Oversight
of capital
management
initiatives

Risk management,
governance &
compliance

Sustainability &
Corporate Social
Responsibility

Operating and Financial Review

The Operating and Financial Review for the Group for the financial year is set out on pages 14 to 23, 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 16. 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 regulation 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 US26.00 cents per share (unfranked) in respect of the year ended 30 June 2019 was paid to shareholders on 5 September 2019. An interim dividend of US21.75 cents per share (unfranked) in respect of the half-year ended 31 December 2019 was paid to shareholders on 12 March 2020. A final dividend of US28.25 cents per share (unfranked) in respect of the year ended 30 June 2020 is payable on 17 September 2020 to shareholders registered on 1 September 2020. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2020 and will be recognised in subsequent financial reports. There are no unissued shares under option at the date of this Report.

Report by the Directors continued

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 ASX Limited pursuant to the Listing Rules and Section 205G of the *Corporations Act 2001*, were:

G L L Barnes ¹	72,656 [^]
J A Bevan	29,470 [^]
W P Day	30,559 [^]
L A Desjardins	14,321
N D Garrard ²	5,000 [^]
M R Nicolin	278,677 [^]
M T Peterson	23,647
W G Reilly	58,980
C M Stercken	5,213
C Y Yan	2,755

1. Retired from the Board on 14 November 2019. Relevant interests in the share capital of the Company is as at retirement date.

2. Appointed to the Board on 1 March 2020.

[^] 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 & Risk Committee ⁴		Human Resources Committee		Governance Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
G L L Barnes ¹	2	2					3	3	2	2
J A Bevan ²	8	8					8	8	6	6
W P Day	8	8	4	4	4	4			6	6
L Desjardins	8	8	4	4	4	4				
N D Garrard ³	4	4			1	1	3	3		
M T Peterson	8	8	4	4			8	8		
W G Reilly	8	8			4	4	8	8	6	5
C M Stercken	8	8	4	4	4	4				
C Y Yan	8	8	4	4			8	8		
M R Nicolin	8	8								

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. Retired from the Board on 14 November 2019.

2. Appointed as Chairman of the Ansell Board, effective 15 November 2019.

3. Appointed to the Board on 1 March 2020 and is a member of the Sustainability & Risk Committee and the Human Resources Committee.

4. In November 2019, the Board resolved to rename the CSR & Risk Committee to the Sustainability & Risk Committee.

The Audit & Compliance Committee, Sustainability & Risk Committee and Human Resources Committee meetings were attended by all respective committee members in FY20.

In June 2016, the Board resolved to form a sub-committee of the Board to review M&A and divestment opportunities – including related business transformation. This sub-committee is currently led by Mrs Christina Stercken and comprises of Mr John Bevan, Mrs Leslie Desjardins and Mr William Reilly. The sub-committee met once during FY20. All M&A Sub-Committee meetings are excluded from the number of meetings noted above.

In May 2017, the Board resolved to form a sub-committee of the Board to make recommendations on share buy-backs and the dividend program. This sub-committee is currently led by Mr John Bevan and comprises of Mr Peter Day, Mr Nigel Garrard and Mrs. Leslie Desjardins. The sub-committee met three times during FY20. All Share Buy-back Sub-Committee meetings are excluded from the number of meetings noted above.

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 2020 fiscal year. Rule 61 of Ansell's Constitution also provides an indemnity in favour of officers (including the Directors and 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.

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 2020 can be found at ansell.com. 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 & Compliance Committee
- Sustainability & 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.

Report by the Directors continued

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 recently refreshed Board Skills Matrix in Ansell's Corporate Governance Statement 2020.

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 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. At the 2019 Annual General Meeting (AGM), Mr Glenn Barnes retired as Chairman of the Ansell Board and Mr John Bevan became Chairman of the Company. Mr Nigel Garrard was appointed to the Board as a Non-executive Director in March 2020. Mr Garrard brings considerable skill and experience to the Board.

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 has agreed to defer her retirement, at request of the Board. This decision was made because her experience and deep knowledge of the Company would be especially valuable over the coming year. Mrs Peterson will stay on an extra twelve months, until 2021, at which point Mrs Peterson and Mr Day will both step down from the Board.

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. With the commitment of Mr Nicolin to remain in his role until the end of the 2021 calendar year, the Board continues the process of challenging and assessing the pool of internal CEO contenders, and assessing external candidates, to allow the identification of the best candidate.

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 has 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. The retirement of Mr Glenn Barnes saw the Board achieve 50/50 gender balance, however the subsequent appointment of Mr Nigel Garrard has seen a slight downwards shift to a 44/56 Board gender balance.

Refer to the Ansell Sustainability Report for further information on diversity within the Company, which will be released in October 2020 and made available on www.ansell.com.

Shareholder Engagement

Ansell is committed to positive and meaningful stakeholder engagement. Ansell knows 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 large investor groups, proxy analysts and regulators.

The Chairman meets proxy advisers and 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 will be holding its next CMD virtually on 15 October 2020. There will also be a Q&A session for European/North American investors on 27 October 2020.

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 & 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

Our FY19 Modern Slavery Statement provides a detailed overview of our approach to managing human rights risks, in particular those relating to modern slavery in our supply chain. It was prepared under the UK *Modern Slavery Act 2015* and the *California Transparency in Supply Chains Act 2010* and is available online at www.ansell.com.

The Australian *Modern Slavery Act* was passed in December 2018 and Ansell is well prepared to meet the requirements of this Act. Ansell will release its first Australian Modern Slavery Statement, in respect to FY20, by 31 December 2020.

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 has adopted a formal Risk Management Framework in recognition that the identification, evaluation and management of risk are 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.

Risk is inherent in 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.

Report by the Directors continued

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 markets instability	<p>The Group's presence in over 55 countries globally and its growing presence in emerging markets exposes the Company to geopolitical risks, regulatory risks and other factors beyond the Group's 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 or another.</p> <p>The humanitarian crisis caused by the COVID-19 pandemic is adding to this uncertainty and may result in further economic, social and political instability.</p>	<ul style="list-style-type: none"> • Whilst our geographic diversification provides overall protection in itself, 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. • Establishing local presence through incorporation and resourcing. • Political Violence insurance in place for property damage at all manufacturing sites in case of riots, strikes and/or civil commotion.
Systems & technology, including cyber security	<p>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.</p> <p>The Company 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.</p> <p>The Company is also exposed to the risk of network attacks by malicious outsiders and insiders.</p>	<ul style="list-style-type: none"> • Modern ERP systems are in place in the largest regions of North America and EMEA, whilst also managing our supply chain. Disaster recovery plans are in place and tested regularly. Roll out of new generation ERP systems has begun across manufacturing plants. • These systems are progressively being deployed through the rest of the Group. • The Group has an active cyber risk management program, including conducting tests on the vulnerability of key systems and ongoing training to employees on their responsibility for mitigating cyber fraud risk. • Business continuity and recovery plans are in place. • The Group has implemented new data protection procedures and obtained external advice to ensure its compliance with European GDPR and other global regulations.
Major incident at a significant manufacturing site or warehouse	<p>The Group has a number of 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 incidence are possible.</p>	<ul style="list-style-type: none"> • 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. Continual maintenance and upgrade of protection systems is undertaken. • Duplication of key production lines minimises business interruption risk. • Increasing investment in the Company's manufacturing capacity and flexibility across the portfolio.

Risk	Nature of Risk	Mitigation Actions
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.	<ul style="list-style-type: none"> • A robust foreign currency management policy is in place (monitored by the Audit & 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 to the financial statements.
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.	<ul style="list-style-type: none"> • 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. • Dedicated team of quality and regulatory staff monitor this, led by a quality steering committee that reports to the CEO. • Implementation of quality metrics to monitor and correct defective processes before the product is released to the market. • Management and monitoring of customer and consumer feedback.
Changes in competitive environment	<p>Ansell is a leading global manufacturer and branded supplier of hand and body protection, with the number one market share position in most of its focus markets and product categories. However, Ansell's ability to achieve adequate profit margins and maintain that profitability in periods of increasing input cost, such as from rising materials and energy, depends in part on the actions of competitors and the relative value of competitor products.</p> <p>In addition, a changing distribution environment including e-commerce, as well as customer concentration, may affect Ansell's market share if not monitored and managed.</p>	<ul style="list-style-type: none"> • Ansell's focus on innovation and leadership in manufacturing technology aims to maintain Ansell's competitive advantage in product technology while also ensuring products are manufactured cost competitively. • Manufacturing materials and processes are subject to continuous review and upgrade to enhance productivity and maintain our competitive position. • Diversity of products, markets and geographic position limits Ansell's risk to the actions of competitors who mostly have a more narrow market or product focus. • Through its channel partnership strategy Ansell aims to increase its value to distributor partners and build or maintain a leading market share. • New ansell.com significantly strengthens the Company's ability to support customer e-commerce platforms with efficient exchange of product information and enhanced e-marketing capability. • Commercial initiatives with e-commerce partners underway. • Driving e-commerce growth and developing new value propositions/vertical opportunities. • Developing a broader distributor network and strengthening existing relationships and improving margins; introduced the use of alternative route to market models, focusing on Tier 1 and Tier 2 distributors. • Working with large distributors by adopting standardised pricing and terms.

Report by the Directors continued

Risk	Nature of Risk	Mitigation Actions
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 the Company short of a vital ingredient or product.	<ul style="list-style-type: none"> • Secondary and/or alternate suppliers for key suppliers and/or materials. • Rigorous due diligence and contract approval processes to mitigate risks, including continuity of supply. • In recent years there has also been a strategy of vertical integration which reduces dependency on third parties. • Crisis management techniques used to mitigate supplier risk exposures. • Increased audits and inspections of third-party facilities for compliance with Ansell's standards. • Financial risks (and liquidity) of suppliers monitored frequently. • Our business partners work with Ansell to provide agreed metrics on KPIs.
Sustainability and Corporate Social Responsibility (CSR)	<p>Failure to comply with social and environmental standards, or poor environmental and social practices in our operations or supply chains, may give rise to reputational, legal and/or market risks.</p> <p>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 our 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.</p>	<ul style="list-style-type: none"> • Cross-functional Management CSR & Sustainability Council put in place for governance, led by the General Counsel with updates to the CEO and full Executive team. • Enforcement of supplier self-assessments 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 and CSR at the Board level, within the remit of the Sustainability & Risk Committee and the Audit & Compliance Committee. • Further developments in the Company's sustainability diligence systems for management of both our operations and our supply chain. • Continued drive of our 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 FY19 Ansell commenced a 3-year project to identify, manage and disclose climate-related risks in alignment with the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). See page 25 for details on progress and work activities for FY21.



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 2020 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

25 August 2020

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Report by the Directors continued

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:

Advisory services	\$114,004
Other audit and assurance services	\$29,868

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 25th day of August 2020.

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Letter from Chair of the Human Resources Committee

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present Ansell's Remuneration Report for the year ended 30 June 2020. As there were no structural changes to the way that our remuneration plans operated in FY20, we have endeavoured to keep the communication in this report consistent with previous years.

Our Performance

During a year of significant global uncertainty, the Board is pleased with our Company's performance, particularly the safety, operational and financial results. Ansell achieved strong sales growth, earnings and profit attributable during FY20. Cash conversion achieved maximum outcome and inventory turns exceeded remuneration targets.

We are very proud of what Ansell has been able to achieve due to the commitment and contribution of our employees during these extraordinary times. Since COVID-19 hit, our executives and our workforce have worked hard through challenging circumstances to increase supply of personal protective equipment (PPE) to support communities, healthcare workers and essential services the world over. Our teams have also made unprecedented efforts over many weeks to change processes, enhance safety protocols to ensure business continuity, and add capacity to meet much higher levels of demand. We are fortunate that we have not had to make hard decisions about our workforce numbers like many other companies this year. Our workforce remains intact in all the geographies in which we operate, on full pay and normal working conditions.

Remuneration Outcomes

In arriving at incentive outcomes for FY20, the Board considered both the formulaic outcomes based on performance relative to our predetermined targets, and the unprecedented global context of COVID-19 and its impact on our business. The Board has applied discretion downwards to financial STI and LTI outcomes to account for the especially positive impacts of the pandemic for a PPE business such as ours, while also acknowledging the significant efforts of management in achieving these outcomes in the face of unprecedented challenges.

Resulting STI outcomes of Key Management Personnel (KMP) will range from 130% to 132% (in percentage of target) or 65% to 66% (in percentage of maximum). We believe that these payments reflect a balance of considerations including the serious economic, health and social challenges that the global community is facing on one hand, and our strong performance and positive shareholder outcomes on the other. For our CEO, the payment of the FY20 STI award will be made part in cash (50%) and part in restricted shares (50%) with a two-year sales restriction.

The FY18-20 LTI plan vesting of 55% of maximum reflected the strong sustained performance over that three year period, notwithstanding the impact of COVID-19 over the second half of FY20. EPS achieved maximum outcome and Organic Sales Growth was above target due to underlying sales growth despite the challenging economic conditions in several key geographies. ROCE was below target and was adversely impacted by higher inventory holdings at the end of FY19.

There were no increases to KMP's base salaries or to non-executive director (NED) fees in FY20.

We believe that these remuneration outcomes are fair, strongly aligned both to group performance and individual accountabilities, and that the benefits of our performance in this remarkable year have been shared across executives, employees and our shareholders alike.

Looking Ahead for Ansell

In light of the uncertainties of current global markets amid COVID-19 we have determined that there will be no increases to base salaries for Executive KMP or to non-executive director fees for FY21.

We expect that FY21 will be another strong year with our FY21 forecasts projecting continued growth. We are investing in additional capacity in our supply chains and automation to support our growth trajectory.

We intend to complete a thorough review of our remuneration framework in FY21 which may lead to changes for FY22. We believe that the context of CEO succession provides a natural opportunity to examine our remuneration framework and approach in detail. It is our intention to set out the outcomes of the review in our FY21 Remuneration Report.

Our Global Business

While Ansell continues to acknowledge its Australian origins, the Company is now 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 clarification on information contained in the Report.



Marissa Peterson

Chair of the Human Resources Committee
Ansell Limited

Remuneration Report (audited)

Section 1 – At a Glance

There was strong alignment between performance and remuneration outcomes this year. This was because the successful execution of our Transformation Program and the work undertaken to continually advance our Eight Dimensions of Differentiation positioned the Company well for the shocks in our markets that occurred in FY20. The above target performance was achieved for a majority of the metrics with STI outcomes of KMP ranging from 65% to 66% and FY18-20 LTI plan vesting of 55% of maximum.

FY20 Performance

This section is intended to provide a high-level visual summary of the remuneration outcomes for FY20 for Realised Pay¹. Further detail is provided on each of these in the ensuing sections of the Remuneration Report.

Highlights

- Successful execution of our Transformation Program and the work undertaken to continually advance our Eight Dimensions of Differentiation positioned the Company well for the events that occurred in FY20.
- COVID-19 drove unprecedented demand for some of our products but also disrupted some operations due to temporary enforced government shutdowns. Our business had to adapt to the new working environment to ensure business continuity, and work hard to optimise and expand our operations to ensure products get to end user customers.
- The Company delivered outstanding financial performance for FY20 and achieved above target in the majority of metrics.
- 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 financial impacts of the pandemic, while also acknowledging the efforts of management in achieving these outcomes.
- After applying the Board discretionary downward adjustment to the STI financial measures, Sales, EBIT², Inventory Turns and Profit Attributable³ were above the target, whilst the Cash Conversion⁴ outcome achieved the maximum outcome.
- LTI Organic Sales Growth exceeded the target and EPS⁵ growth achieved the maximum outcome.
- Adjusted ROCE⁶ of 14.05% exceeded the 14% gateway threshold but was lower than target because of high working capital, mainly inventory, carried forward from the prior year as part of the Transformation Program safety stock.

Figure 1.1

The table below outlines Ansell's FY20 statutory financial outcomes (as disclosed elsewhere in the annual report) that were used to calculate incentive outcomes:

Sales	\$1,613.7m
Organic Growth	7.6%
EBIT	\$219.7m
Profit Attributable	\$158.7m
EPS	121.8c
Inventory turnover per annum (times)	3.17x
Dividends per share	50.0c
ROCE	14.05%
Cash conversion	117.7%

Figure 1.2 STI Performance (Realised)¹

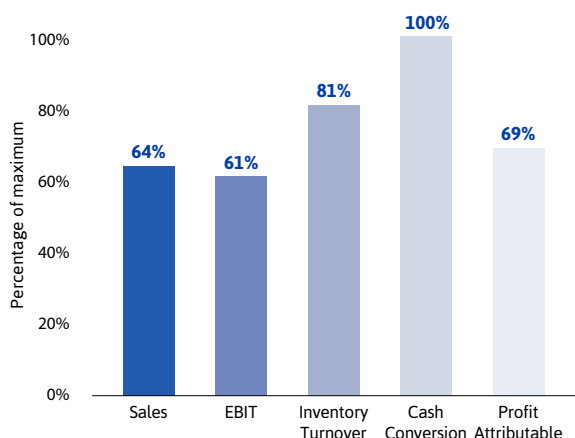
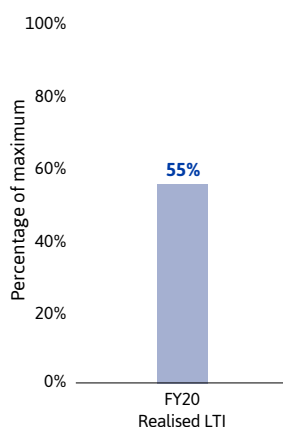
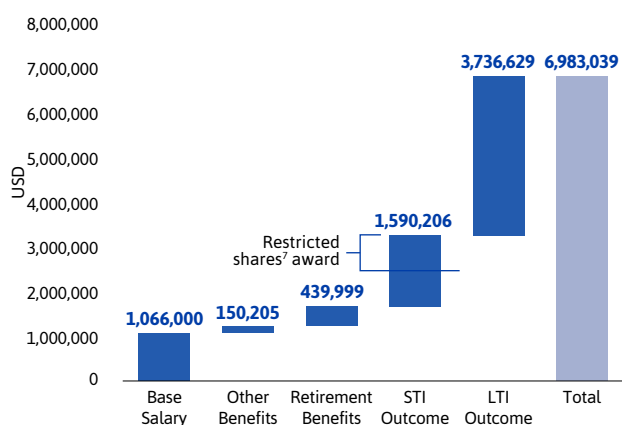


Figure 1.3 LTI Performance (Realised)¹

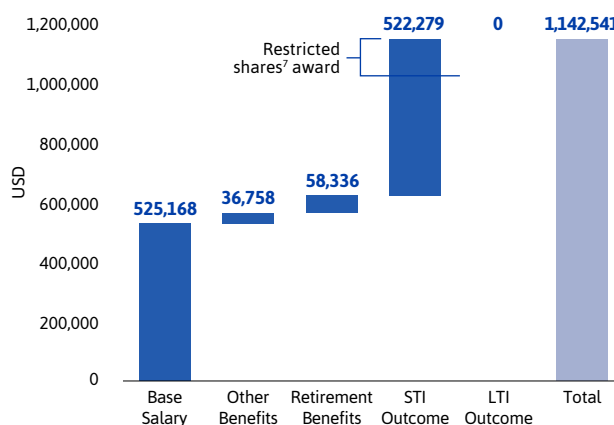


Remuneration Report (audited) continued

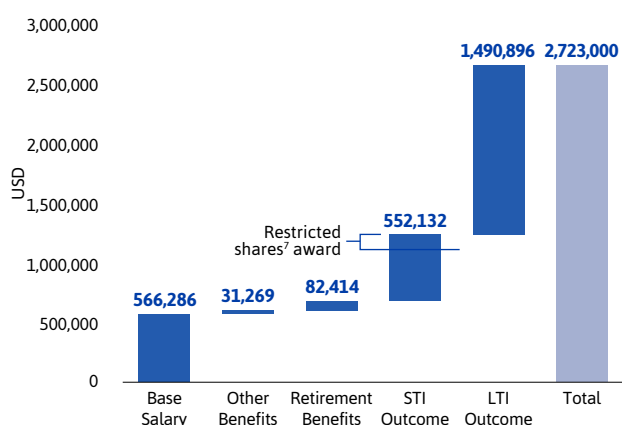
Figure 1.4 CEO Realised Pay¹



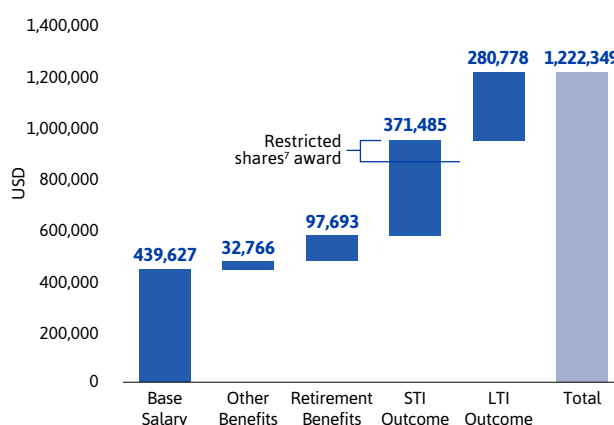
**Other Executives Realised Pay¹
Zubair Javeed⁸**



Neil Salmon

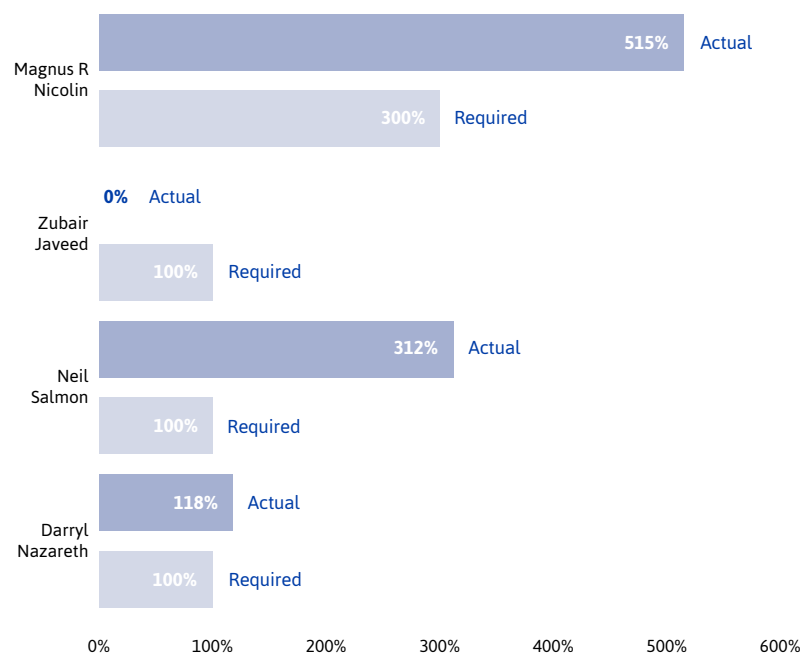


Darryl Nazareth



Mandatory shareholding requirements are higher than the market norm and align executive and shareholder interests.

Figure 1.5 CEO and Other Executives Mandatory Shareholding Requirements⁹ (expressed as a percentage of base pay)



1. Realised pay is a non-IFRS measure and is defined in Section 9 – Glossary.
2. EBIT for remuneration outcomes is reported EBIT (as defined in Section 9 – Glossary) normalised for the impact of foreign exchange gains and losses incurred during the year and after the Board approved FY20 downward adjustment.
3. Profit Attributable for remuneration outcomes is reported Profit Attributable normalised for the impact of foreign exchange gains and losses incurred during the year and after the Board approved FY20 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 9 – Glossary). This is equivalent to the pre-tax operating cash flow used to measure the Group's operating cashflow 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 9 – Glossary.
7. Per Ansell's policy, any STI payable above the target will be deferred in the form of restricted shares. For FY20, restricted shares were granted for eligible KMP on 18 August 2020 and are subject to a two-year sale restriction. While no changes were made to the FY20 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 joined the Company after the FY18-FY20 LTI Plan was granted.
9. Refer to Section 5.3 Mandatory Shareholding Requirements including time allowed for achievement.

COVID-19 and Board Discretion Downward Adjustment

In light of the 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 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 some proxies;
- seeking independent advice from PwC, our independent remuneration consultant (see Section 8.2 for detail); and
- considering the healthy state of Ansell's business and our workforce, and the positive financial impact on shareholders.

The Ansell team performed exceptionally well, delivering sales, EBIT and EPS significantly above targets, with TSR at 40% in FY20 and 19% CAGR over a 3-year period from FY18 to FY20. COVID-19 impacted performance outcomes through a significant increase in demand for Exam & Single Use gloves and Chemical Protective Clothing. This was partly offset by lower demand for Mechanical gloves and increased costs, including those resulting from government mandated plant shutdowns, safety measures implemented to deal with COVID-19 and higher raw material and outsourced supplier costs for those products in demand. Management's decisions and actions both before and during the pandemic positioned the Company well to be able to respond to the increased demand. Remarkable efforts and changes in processes were made to keep our manufacturing facilities operating, while ensuring our employees remained safe and working within various governmental restrictions. Overall, there has been a positive impact on sales, EBIT and EPS.

In determining the appropriate STI and LTI incentive awards payout for FY20, the Board:

- commenced considerations from the calculated formulaic awards based on FY20 actual results, resulting in potentially higher incentive payouts;
- referred back to our pre-COVID-19 FY20 forecast and run rate to quantify the incremental net financial impacts to the Group's results of the pandemic; and
- initially eliminated the full incremental net impacts on incentive financial metrics, but deemed it appropriate to include a portion to recognise management's extraordinary efforts and performance in managing through this.

The final incentive outcomes, as determined by the Human Resources Committee and the Board, are above target; and are below actual company financial performance. Furthermore, the CEO and the Human Resources Committee 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.

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 the financial year ending 30 June 2020. 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 KMP 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 changed during FY20. Most notably, the Board appointed Mr Bevan as Chairman following the retirement of Mr Barnes at the November AGM. The Board also welcomed Mr Garrard as an Independent Non-Executive Director on 1 March 2020. There were no Executive KMP changes during FY20.

The table below details Ansell's KMP during FY20:

Non-Executive Directors	Location of Board Member	Role
Glenn L L Barnes ¹	Australia	Chairman (until 14 November 2019), Independent Non-Executive Director
John A Bevan	Australia	Chairman (from 15 November 2019), Independent Non-Executive Director
W Peter Day	Australia	Independent Non-Executive Director
Leslie A Desjardins	United States	Independent Non-Executive Director
Nigel D Garrard ²	Australia	Independent Non-Executive Director
Marissa T Peterson	United States	Independent Non-Executive Director
William G Reilly ³	United States	Non-Independent Non-Executive Director
Christina M Stercken	Germany	Independent Non-Executive Director
Christine Y Yan	United States	Independent Non-Executive Director
Executive Director	Location of Executive	Role
Magnus R Nicolin	Belgium	Managing Director (MD) and Chief Executive Officer (CEO)
Other Executives	Location of Other Executives	Role
Zubair Javeed	Belgium	Chief Financial Officer (CFO) (Finance, IT, Planning & Projects)
Neil Salmon	Belgium	President of the Industrial GBU (IGBU)
Darryl Nazareth	United States	President of the Healthcare GBU (HGBU)

1. Retired on 14 November 2019.

2. Appointed as Non-Executive Director on 1 March 2020.

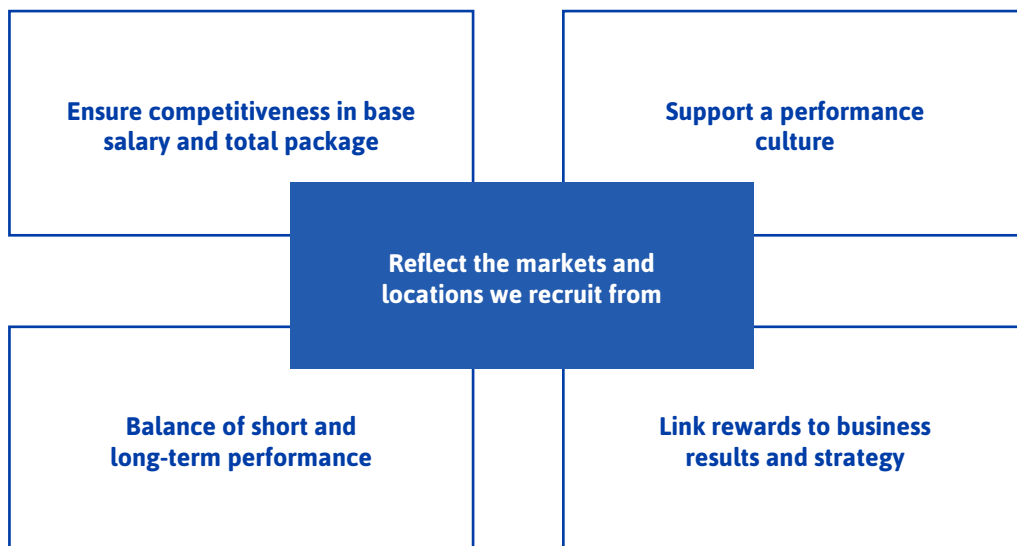
3. During FY20, Mr. Reilly was classified as a non-independent non-executive director. Effective from 1 July 2020, the Board considers Mr Reilly independent and will be classified as an independent non-executive director moving forward. Please refer to the Ansell Corporate Governance Statement found on the Ansell website at www.ansell.com for more information.

Section 3 – Remuneration Policy

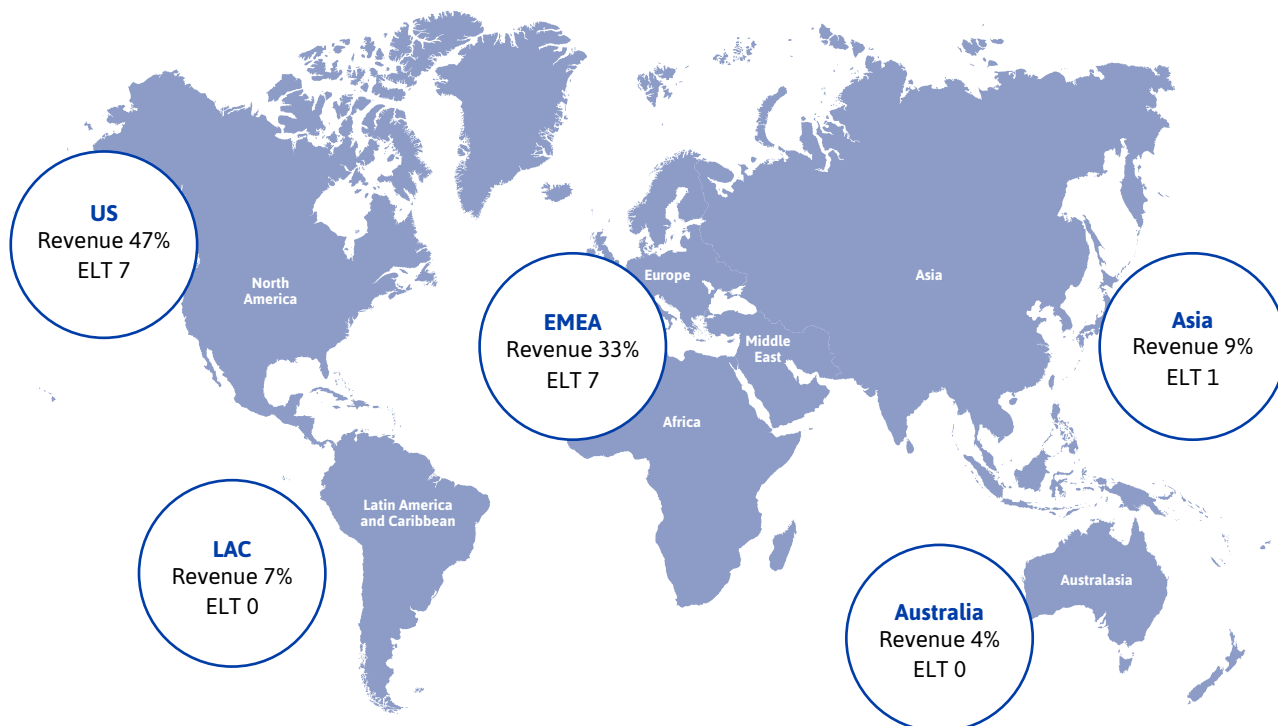
3.1 Philosophy and Strategy

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:



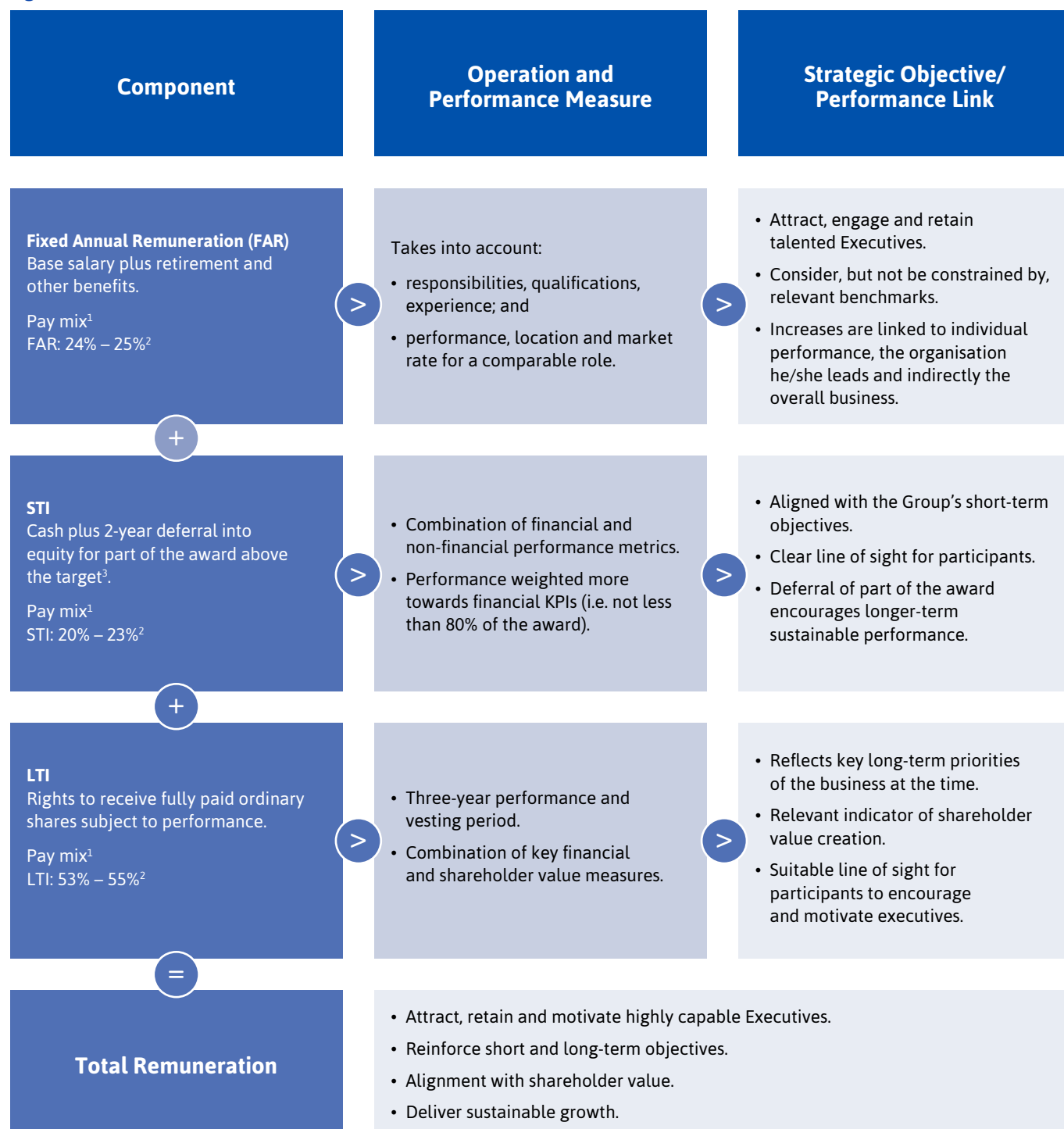
Even though Ansell is listed on the Australian Stock Exchange, staff are located in approximately 54 worldwide locations, with the core Executive Leadership Team (ELT) based in Belgium, US and Malaysia.



3.2 Remuneration Framework Components

Our Executive remuneration framework, which has been in place for 3 years, consists of the following components:

Figure 3.2



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 joined the Group after the FY18 LTI award was granted. Mr Nazareth was appointed as President of the HGBU and became a KMP on 1 April 2019. Mr Nazareth's realised FY18 LTI information disclosed in this report only relates to the period after 1 April 2019 (i.e. 15 months after becoming a KMP). If their information is included, the pay mix for FY20 changes to FAR: 24% to 54%, STI: 20% to 46% and LTI: 0% to 55%.

3. While no changes were made to the FY20 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.

Remuneration Report (audited) continued

Section 4 – FY20 Remuneration Framework in Detail and Outcomes

This section uses non-IFRS financial information to detail realised pay earned by Executive KMP during FY20, 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 FY20. It also includes the full value of incentive payments earned in relation to the FY20 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 KMP are paid in US\$. For some Executive KMP, the reported numbers in the statutory and realised pay tables are subject to currency translation differences from year to year.

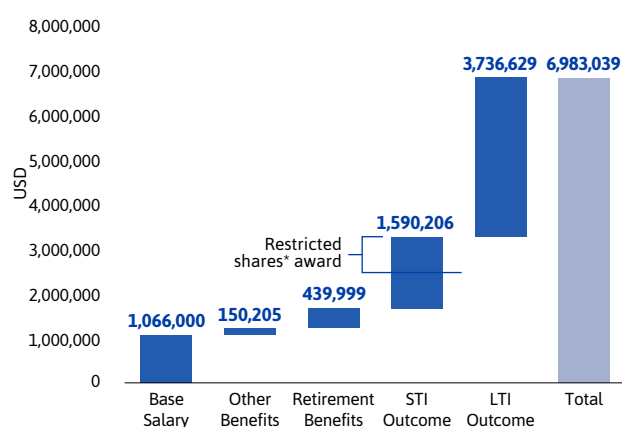
4.1 Realised Pay Summary (US\$)

Name	Year	Base Salary ¹	Retirement Benefits ²	Other ³	STI ⁴		LTI ⁵	Total Earnings
					Cash	Restricted Shares	Equity ⁶	
CEO								
Magnus R Nicolin	2020	1,066,000	439,999	150,205	795,103	795,103	3,736,629	6,983,039
	2019	1,066,000	376,781	150,478	1,199,250	23,203	2,490,832	5,306,544
Other Executives								
Zubair Javeed ⁷	2020	525,168	58,336	36,758	393,876	128,403	–	1,142,541
	2019	102,621	9,031	234,194	–	–	–	345,846
Neil Salmon ⁸	2020	566,289	82,414	31,269	424,717	127,415	1,490,896	2,723,000
	2019	581,401	62,607	30,019	438,199	12,860	997,796	2,122,882
Darryl Nazareth ⁹	2020	439,627	97,693	32,766	285,758	85,727	280,778	1,222,349
	2019	103,686	9,285	14,158	42,853	–	36,343	206,325

- Base salary includes the salary earned by the individual in FY20. 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 FY20. Both Mr Salmon and Mr Javeed are remunerated in Euros and any US\$ reduction above reflects foreign exchange conversion impacts. Both Mr Javeed and Mr Nazareth became KMP from April 2019 and their FY19 remuneration information relates to the period after 1 April 2019.
- 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.
- Other includes the cost to the Company of cash 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 for FY19 include a cash sign-on bonus. Mr Nazareth's other benefits for FY20 include a retrospective payment of FY19 base salary.
- 2020 and 2019 STI represent amounts payable under the 2020 and 2019 STI Plans respectively. Per Ansell's policy, any STI payable above the mid-point will be deferred in the form of restricted shares. For FY20, restricted shares were granted for eligible KMP on 18 August 2020 and are subject to a two year sale restriction. While no changes were made to the FY20 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.
- 2020 and 2019 LTI's relate to the FY18 and FY17 grants, outcomes of which were approved by the HR Committee on 18 August 2020 and 7 August 2019 respectively. The FY18 award was determined to be 55% of the maximum award (FY17 award: 48%).
- The 2020 equity figure represents the US\$ value of the number of Performance Share Rights (PSRs) that have vested multiplied by the closing share price of Ansell Limited on the ASX on 18 August 2020, being A\$39.88 (2019: 7 August 2019 at A\$25.88). This was the date on which the HRC approved the vesting of the shares. The 2020 translation to US\$ used a foreign exchange (FX) rate of A\$1:US\$0.7240 (2019: A\$1:US\$0.6755).
- Mr Javeed was appointed CFO and became a KMP on 29 April 2019.
- Mr Salmon was appointed President of the IGBU on 28 April 2019. Mr Salmon's STI was grandfathered as follows:
 - FY19 maximum STI opportunity at 150% and performance measures in line with his prior CFO role (see FY19 Remuneration Report page 48).
 - FY20 maximum STI opportunity at 150% (see Section 4.3 STI opportunity table).
- Mr Nazareth was appointed President of the HGBU and became a KMP from 1 April 2019. Mr Nazareth's FY19 remuneration information and FY20 realised LTI disclosed in this report only relates to the period after 1 April 2019.

For further transparency, the full amount of Mr Nazareth's realised LTI pursuant to FY18-FY20 LTI plan is \$673,867. Mr Nazareth's base salary, STI and LTI remuneration information (on a Realised Pay basis) for the full 12 months ended 30 June 2019 are: Base Salary: \$403,634, STI Cash: \$164,136, STI Equity: nil and LTI Equity: \$436,114.

4.2 Breakdown of CEO Realised Pay



	Metrics	Weight %	Achievements %	Payouts \$
STI Outcome	Sales	35%	64%	533,067
	EBIT	35%	61%	507,882
	Cash Conversion	10%	100%	239,850
	Profit Attributable	10%	69%	165,497
	Personal Objectives	10%	60%	143,910
	Overall	100%	66%	1,590,206
LTI Outcome	Organic Sales Growth	33.3%	63%	1,407,419
	EPS	33.3%	100%	2,248,273
	ROCE	33.4%	4%	80,937
	Overall	100%	55%	3,736,629

* Per Ansell's policy, any STI payable above the target will be deferred in the form of restricted shares. For FY20, restricted shares were granted for eligible KMP on 18 August 2020 and are subject to a two-year sale restriction. While no changes were made to the FY20 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

Element of pay	How the policy operated for FY20															
	No material changes were made to the policy in FY20.															
Base salary	<p>Normally base salaries are reviewed annually.</p> <p>For FY20 the HRC considered several reference points including internal relativities, changes in scope of responsibilities, local market inflation and the wider macro-economic environment.</p> <p>External market data was sourced during the year, but was used with caution.</p> <p>The base salaries for the Executive KMPs for FY20 were:</p> <p>Figure 4.3</p> <table border="1"> <thead> <tr> <th>Executive</th> <th>Base Salary</th> <th>Increase</th> </tr> </thead> <tbody> <tr> <td>Magnus R Nicolin</td> <td>\$1,066,000</td> <td>–</td> </tr> <tr> <td>Zubair Javeed</td> <td>€475,000</td> <td>–</td> </tr> <tr> <td>Neil Salmon</td> <td>€512,193</td> <td>–</td> </tr> <tr> <td>Darryl Nazareth</td> <td>\$439,627</td> <td>–</td> </tr> </tbody> </table> <p>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 FY20.</p> <p>As indicated in FY19 – no process changes were enacted during FY20.</p>	Executive	Base Salary	Increase	Magnus R Nicolin	\$1,066,000	–	Zubair Javeed	€475,000	–	Neil Salmon	€512,193	–	Darryl Nazareth	\$439,627	–
Executive	Base Salary	Increase														
Magnus R Nicolin	\$1,066,000	–														
Zubair Javeed	€475,000	–														
Neil Salmon	€512,193	–														
Darryl Nazareth	\$439,627	–														
Retirement benefits	<p>Includes contributions to US benefit or non-qualified pension plans and Belgian retirement savings plans (as applicable).</p> <p>Mr Nicolin's retirement benefit is based on his base salary plus prior year STI achievement and will consequently vary from year to year.</p> <p>As indicated in FY19 – no plan changes were enacted during FY20.</p>															
Other benefits	<p>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.</p> <p>Reflect the Company's overall policy on international mobility.</p> <p>As indicated in FY19 – no plan changes were enacted during FY20.</p>															

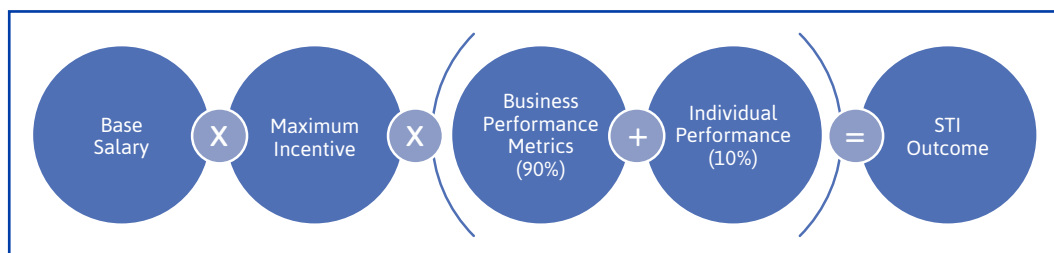
Remuneration Report (audited) continued

FY20 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 changes were made to the FY20 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.



FY20 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.

FY20 STI methodology

Ansell's sales and EBIT target setting process methodically factors 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).
- (b) Targets are established for sales and EBIT growth.
 - Sales targets at 1.5X GDP growth in markets weighted for Ansell Industrial and Healthcare.
 - EBIT growth assumes costs increase below the rate of sales growth to leverage a higher EBIT growth target.
- (c) Incremental growth returns on committed significant investments are also added to targeted sales and EBIT growth. For example, the Targets were increased to require the delivery of expected benefits from the Transformation Program.
- (d) The Board then applies discretion in reviewing the outcome of the above methodology against their performance expectations of the business and may choose to adjust the performance conditions accordingly.

FY20 STI performance measures

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

Executive	Performance Measures						Total
	Sales	EBIT	Inventory Turns	Cash Conversion	Profit Attributable	Individual Objectives	
CEO	35%	35%	–	10%	10%	10%	100%
CFO	35%	35%	–	10%	10%	10%	100%
Other Executives	35%	35%	20%	–	–	10%	100%

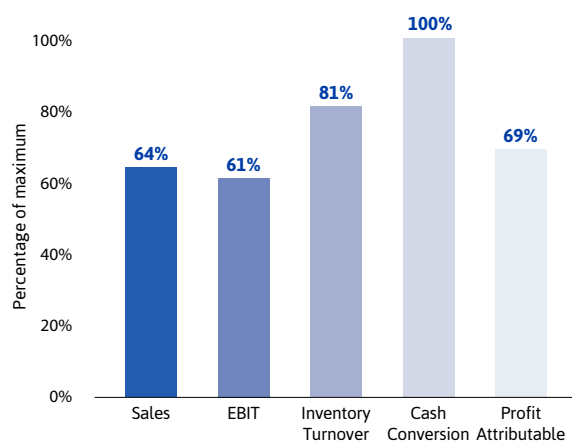
FY20 STI outcomes

The Board applied some discretion in arriving at financial outcomes for the purposes of STI award. This included a detailed review of forecasts pre COVID-19 and actual results to consider COVID-19 impacts and management's performance. After consideration of the 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 were above target levels due to a strong underlying sales performance in several geographies even after the downwards adjustment made to remove the COVID-19 impact.
- EBIT exceeded target due to the strong performance of the Group, particularly in HGBU, as a result of successful execution of strategy. Furthermore, the Company continued to see the benefits from the Transformation Program.
- Consistent with past practice, the impact of FX volatility on the Group's results in FY19 and FY20 were adjusted via the Group's constant currency target-setting and measuring process.
- Inventory turns exceeded expectations due to strong sales growth. There was an appropriate build-up of raw materials and WIP at year end to meet future demand.
- FY20 was another year of strong cash conversion delivery.
- Profit attributable achieved an above target outcome predominately due to strong EBIT growth.

Figure 4.4 STI Performance (Realised)



Executive Performance Against Individual Objectives

Magnus R Nicolin	Mr Nicolin continued to provide excellent leadership through the COVID-19 pandemic, focusing firstly on the welfare and safety of employees and then enabling the Company to respond to the unprecedented demand for PPE. Under his leadership, the Company has continued to build new capacity both in terms of manufacturing facilities and capability. He has continued to provide effective senior succession planning and development.
Zubair Javeed	Mr Javeed joined Ansell as the new CFO in April 2019 and has been a valuable addition to the management team. He brings strong financial management skills and experience from both public and PE owned corporations. He complements strong people leadership with sound judgement and has quickly built trust with key stakeholders.
Neil Salmon	Mr Salmon stepped into the President Industrial Business unit role 15 months ago. He has faced mixed challenges with some segments declining and some growing due to wider industry declines as well as due to COVID-19 impacts. He has managed this skillfully and shifted resources to the rapidly growing Chemical business while improving profit margins in the Mechanical business, further capturing the effects of the previously completed Transformation Program.
Darryl Nazareth	Mr Nazareth stepped into the President Healthcare Business unit role 15 months ago. He has quickly taken command of the HGBU and has played a significant role in delivering very strong growth in sales and capabilities of the business during FY20. This growth has been delivered in all 3 strategic business units: Surgical, Exam & Single Use and Life Sciences.

Remuneration Report (audited) continued

FY20 STI outcomes (continued)

For the FY20 STI, the Board approved the following payments to the Executives (US\$):

Figure 4.5

Name	Financial	Individual	Total STI Payable	STI ¹		% Award Achieved ²	% Forfeited ²
				Cash	Restricted Shares		
Executive Director							
Magnus R Nicolin	1,446,296	143,910	1,590,206	795,103	795,103	66%	34%
Other Executives							
Zubair Javeed	475,014	47,265	522,279	393,876	128,403	66%	34%
Neil Salmon	505,413	46,719	552,132	424,717	127,415	65%	35%
Darryl Nazareth	340,052	31,433	371,485	285,758	85,727	65%	35%

1. Per Ansell's policy, any STI payable above the target will be deferred in the form of restricted shares. For FY20, restricted shares were granted for eligible KMP on 18 August 2020 and are subject to a two year sale restriction. While no changes were made to the FY20 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.

STI performance measures for FY21

Given the significant uncertainty in the wider macro-economic environment and the potential volatility at the top line level (among others due to potential demand swings and pricing pressures), the weighting of the FY21 STI performance measures is shifted towards the more controllable EBIT metric. This results in the following combination:

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

LTI awards vesting in FY20

The Board applied some discretion in arriving at financial outcomes for the purposes of the LTI award. This included a detailed review of forecasts pre COVID-19 and actual results to consider COVID-19 impacts and management's performance. After consideration of the impacts of COVID-19, the Board exercised discretion and adjusted all financial outcomes downwards, where applicable.

FY18-FY20 Plan performance

The performance conditions comprise three components with each component worth one-third of the total LTI award for the FY18-FY20 LTI Plan. 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)	47.2%	100%*
Organic Sales Growth	33.3%	6.1% growth by year 3 (2% CAGR)	15.8% growth by year 3 (5% CAGR)	12.2%	62.6%
ROCE	33.4%	14% in year 3	15.5% in year 3	14.05%	3.7%
Overall	100%	n/a	n/a	n/a	55.4%

* Although 3 year's cumulative compound EPS growth is 47.2%, the LTI program only allows a vesting at the maximum threshold for EPS Growth (being 33.1%).

The FY18-FY20 achievement was therefore 55.4% of Maximum on a combined basis. The breakdown is further explained in the following sections.

LTI awards vesting in FY20
(continued)**FY18-FY20 Organic Sales Growth**

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

FY18-FY20 EPS growth**(a) FY20 – EPS for the purposes of LTI award**

The Board assessed the FY20 adjusted EPS relevant for incentive purposes as 106.6 US cents, with a reconciliation to statutory EPS shown below:

US cents	FY20
Statutory EPS	121.8
FX gain adjustment	(0.9)
Amortisation of previously adjusted FY18 & FY19 Transformation Program expenses ¹	(8.9)
Board approved FY20 downward adjustment ²	(5.4)
Adjusted EPS for LTI award	106.6

- 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.
- The Board applied the same downward adjustment to determine the outcomes of FY20 STI financial measures where applicable.

(b) Calculating FY18-FY20 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 2020.

Figure 4.7

EPS including adjustments for LTI awards	Prior Year² (US cents)	Current Year (US cents)	Growth (US cents)	Growth (%)	Compound Growth (%)
FY18 ¹	86.2	113.7	27.5	31.9%	31.9%
FY19 ¹	108.0	105.3	(2.7)	(2.5%)	28.6%
FY20	93.1	106.6	13.5	14.5%	47.2%³

- The calculation of the EPS growth for FY18 and FY19 was explained in detail in the FY19 Remuneration Report.
- The prior year EPS is adjusted for constant currency.
- Although 3 year's cumulative compound EPS growth is 47.2%, the vesting for EPS Growth has been capped at maximum threshold (being 33.1%).

FY20 ROCE

The FY20 ROCE of 14.05% exceeded the 14% gateway threshold but was lower than target. This below target outcome was due to the adverse impact of higher inventory at the end of FY19. The FY19 high inventory level was partly due to safety stock that management held as the manufacturing footprint was reduced in Korea and Mexico as part of the Transformation Program.

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 FY20 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, the effects of the newly adopted accounting standard, AASB 16 Leases, were excluded from the ROCE calculation. See Note 10 to the Financial Statements for the impacts.

Remuneration Report (audited) continued

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	08/08/2017	3,837,600	129,416	104,186
Other Executives				
Zubair Javeed ¹	n/a	n/a	n/a	n/a
Neil Salmon	08/08/2017	1,531,317	51,636	41,570
Darryl Nazareth ²	08/08/2017	288,400	9,725	7,829

1. Mr Javeed joined the Company after the FY18-FY20 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 FY18-FY20 LTI plan and disclosed in this report only relates to the period after 1 April 2019 (i.e. 15 months after becoming a KMP).

LTI design

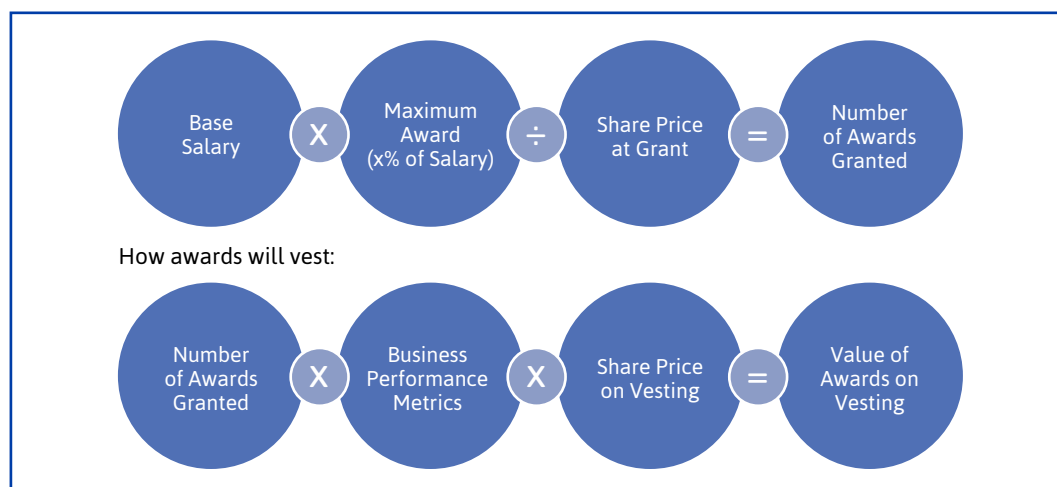
FY20-FY22 Plan – There were no changes in FY20.

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.

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

How awards will vest:



LTI Opportunity

For the FY20-FY22 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 ²	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.

2. Mr Salmon was appointed President of the IGBU on 28 April 2019. Mr Salmon's maximum LTI opportunity was grandfathered in line with his prior CFO role.

LTI Performance metrics

The performance measures for the FY20–FY22 Plan awards are:

Performance Measure and Weighting	Weighting	Minimum Hurdle (0% Vesting)	Maximum Hurdle (100% Vesting)
EPS growth (also subject to ROCE gateway in year three)	1/3rd	12.5% growth by year three (4% Compound Annual Growth Rate – CAGR)	33.1% growth by year three (10% CAGR)
Organic Sales Growth	1/3rd	6.1% growth by year three (2% Compound Annual Growth Rate – CAGR)	15.8% growth by year three (5% CAGR)
ROCE	1/3rd	14.0% 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 FY19 operations at constant currency.

Pursuant to the design of the plan, the ROCE gateway to EPS achievement for the FY20–FY22 plan was set at 13.5%, which is different to 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 47 and 53–55, the Board exercised its discretion in determining FY20 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 provisions 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.

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 FY20 pursuant to the VSPP (as shown in Figure 5.1).

Remuneration Report (audited) continued

5.4 Current Shareholding

The table below details the movement of shares held by each KMP and the progress of each KMP during FY20 in achieving their respective share ownership goals in accordance with the mandatory shareholder requirements set out in the Share Purchasing Policy detailed in Section 5.3.

Figure 5.1

	Held at 1 July (or Date Appointed KMP)	VSPP Purchases ¹¹	Other Purchases	Awarded During the Year	Net Movement Due to Other Changes	Held at 30 June	% of Share Ownership Goal Met ¹²	Target Year to Comply	Target Year Projected to Comply
Non-Executive Directors									
Glenn L L Barnes ¹									
FY20	72,113	543	–	n/a	–	n/a	n/a	n/a	n/a
FY19	68,116	3,997	–	n/a	–	72,113	193%	2023	COMPLY
John A Bevan ²									
FY20	27,061	2,409	–	n/a	–	29,470	87%	2023	2022
FY19	26,017	1,044	–	n/a	–	27,061	138%	2023	COMPLY
Ronald J S Bell ³									
FY20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FY19	19,847	694	–	n/a	–	n/a	n/a	n/a	n/a
W Peter Day									
FY20	30,193	–	366	n/a	–	30,559	168%	2023	COMPLY
FY19	29,707	134	352	n/a	–	30,193	151%	2023	COMPLY
Leslie A Desjardins									
FY20	11,667	2,654	–	n/a	–	14,321	81%	2025	2021
FY19	6,711	4,956	–	n/a	–	11,667	60%	2025	2021
Marissa T Peterson									
FY20	23,647	–	–	n/a	–	23,647	134%	2023	COMPLY
FY19	23,647	–	–	n/a	–	23,647	122%	2023	COMPLY
William G Reilly ⁴									
FY20	49,296	–	–	30,811	(21,127)	58,980	373%	2027	COMPLY
FY19	40,202	–	–	9,094	–	49,296	284%	2027	COMPLY
Christina M Stercken									
FY20	3,216	1,997	–	n/a	–	5,213	33%	2027	2025
FY19	860	1,856	500	n/a	–	3,216	19%	2027	2025
Christine Y Yan ⁵									
FY20	629	2,126	–	n/a	–	2,755	17%	2029	2026
FY19	–	629	–	n/a	–	629	4%	2029	2024
Nigel D Garrard ⁶									
FY20	3,200	–	1,800	n/a	–	5,000	32%	2030	2026
FY19	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Executive Director									
Magnus R Nicolin									
FY20	265,930	–	–	143,519	(130,772)	278,677	172%	2023	COMPLY
FY19	266,239	–	–	88,719	(89,028)	265,930	149%	2023	COMPLY
Other Executives									
Zubair Javeed ⁷									
FY20	–	–	–	–	–	–	0%	2029	2029
FY19	–	–	–	–	–	–	0%	2029	2029
Neil Salmon									
FY20	55,046	–	–	57,684	(22,901)	89,829	312%	2023	COMPLY
FY19	39,556	–	–	15,490	–	55,046	169%	2023	COMPLY
Darryl Nazareth ⁸									
FY20	10,358	–	–	24,947	(9,009)	26,296	118%	2024	COMPLY
FY19	4,100	–	–	6,258	–	10,358	42%	2024	2021
Steve Genzer ⁹									
FY20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FY19	20,919	–	–	9,088	–	n/a	n/a	n/a	n/a
Joe Kubicek ¹⁰									
FY20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
FY19	70,828	–	–	7,600	–	n/a	n/a	n/a	n/a

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 Bell retired from the Ansell Board of Directors with effect from 18 October 2018.

4. Mr Reilly's shares awarded in FY20 relate to the FY17 LTI award in respect to his prior employment as an executive at Ansell.

5. Ms Yan was appointed as a Non-Executive Director on 1 April 2019.

6. Mr Garrard was appointed as a Non-Executive Director on 1 March 2020.

7. Mr Javeed joined the Company and became a KMP on 29 April 2019.

8. Mr Nazareth became a KMP on 1 April 2019.

9. Mr Genzer ceased to be a KMP on 30 April 2019.

10. Mr Kubicek ceased to be a KMP on 30 April 2019.

11. Purchases made under the Voluntary Share Purchase Plan (see Section 5.3).

12. 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 2020 and 12-month average share price and FX rates.

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 FY20.

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					
FY20	733,525	207,888	142,480	(154,355)	644,578
FY19	739,680	203,089	(88,719)	(120,525)	733,525
Zubair Javeed ^{3,4}					
FY20	50,000	72,232	–	–	122,232
FY19	–	50,000	n/a	n/a	50,000
Neil Salmon					
FY20	306,090	77,888	57,076	(61,832)	265,070
FY19	248,646	93,976	(15,490)	(21,042)	306,090
Darryl Nazareth ⁵					
FY20	133,306	47,630	24,947	(27,025)	128,964
FY19	108,860	39,206	(6,258)	(8,502)	133,306

1. PSRs were granted during FY20 pursuant to the FY20 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 7 August 2019, this being A\$26.45. Prior to FY20, fair values were used to calculate the number of PSRs granted. For completeness, FY19 and FY18 fair values are included in the table below.

2. PSRs vested and lapsed during FY20 pursuant to the FY17 LTI Plan.

3. Mr Javeed joined the Company and became a KMP on 29 April 2019.

4. Mr Javeed was granted 50,000 performance share rights in FY19 as part of his sign-on bonus.

5. Mr Nazareth became a KMP on 1 April 2019.

6. Mr Reilly, a current Non-Executive Director and former senior executive of the Company, held 32,095 (recorded at maximum) PSRs at the beginning of FY20 attributable to LTI grants in FY17, at the time that he was an executive. 30,811 PSRs originally allocated in FY17 vested during the year (and 1,284 lapsed) following testing against the applicable performance conditions. One share in Ansell was allocated to Mr Reilly in relation to each PSR that vested. Pursuant to the terms of the LTI no amount was payable by Mr Reilly for the shares allocated. As at 30 June 2020, Mr Reilly no longer holds any PSRs.

* Grants are recorded at maximum.

	Grant Date	Vesting Period	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
FY18 LTIP PSRs	08/08/2017	3 years	A\$20.41	A\$22.01	n/a	2.60%
FY19 LTIP PSRs	14/08/2018	3 years	A\$25.57	A\$27.86	n/a	2.98%

Awards that do not vest at vesting date automatically lapse.

Remuneration Report (audited) continued

5.6 Executive Statutory Remuneration (US\$)

Figure 5.3

Name	Year	Base Salary ¹	Retirement Benefits ²	Termination Benefits	Other ³	STI ⁴		LTI ⁵		Total Earnings
						Cash	Restricted Shares	Equity		
Executive Director										
Magnus R Nicolin	2020	1,066,000	439,999	–	150,205	795,103	795,103	1,837,457	5,083,867	
	2019	1,066,000	376,781	–	150,478	1,199,250	23,203	1,745,986	4,561,698	
Other Executives										
Zubair Javeed ⁶	2020	525,168	58,336	–	467,608	393,876	128,403	191,874	1,765,265	
	2019	102,621	9,031	–	310,809	–	–	–	422,461	
Neil Salmon ⁷	2020	566,289	82,414	–	31,269	424,717	127,415	756,674	1,988,778	
	2019	581,401	62,607	–	30,019	438,199	12,860	736,979	1,862,065	
Darryl Nazareth ⁸	2020	439,627	97,693	–	32,766	285,758	85,727	365,674	1,307,245	
	2019	103,686	9,285	–	14,158	42,853	–	79,951	249,933	
Steve Genzer ⁹	2020	–	–	–	–	–	–	–	–	
	2019	427,174	44,992	498,349	–	210,971	–	422,758	1,604,244	
Joe Kubicek ¹⁰	2020	–	–	–	–	–	–	–	–	
	2019	430,100	37,824	493,223	–	212,416	–	410,047	1,583,610	

1. Base salary includes the salary earned by the individual in FY20. None of the Executives received any pay increase in FY20. Mr Salmon is remunerated in Euros and the US\$ reduction above reflects translation impacts. Both Mr Javeed and Mr Nazareth became KMP from April 2019 and their FY19 remuneration information reflects a partial year pay.
2. Retirement benefits include all the retirement benefits earned by the individual in FY20. Mr Nicolin's retirement benefits are based on his base salary plus prior year STI achievement and will vary from year to year.
3. Other includes the cost to the Company of cash benefits such as motor vehicle, expatriation and relocation expenses, insurance, expat tax equalisation payments and other amounts. Mr Javeed's other benefits include his sign-on bonus, which includes cash and the value of accrued PSRs that will vest on the second anniversary from 28 April 2019. Mr Nazareth's other benefits for FY20 include a retrospective payment of FY19 base salary.
4. 2020 STI represents amounts payable under the FY20 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. 2020 LTI includes amounts provided in respect of the Group's LTI Plans.
6. Mr Javeed was appointed as CFO and became a KMP on 29 April 2019.
7. Mr Salmon was appointed President of the IGBU on 28 April 2019. Mr Salmon's FY19 STI was grandfathered in line with his prior CFO role.
8. Mr Nazareth was appointed President of the HGBU and became a KMP on 1 April 2019. Mr Nazareth's remuneration information disclosed in this report only relates to the period after 1 April 2019.
9. Mr Genzer ceased to be a KMP on 30 April 2019. The FY19 remuneration information disclosed in this report is for 12 months ended 30 June 2019. Termination payments include entitlements payable pursuant to Mr Genzer's employment agreement in addition to unused leave entitlements at 30 June 2019.
10. Mr Kubicek ceased to be a KMP on 30 April 2019. The FY19 remuneration information disclosed in this report is for 12 months ended 30 June 2019. Termination payments include entitlements payable pursuant to Mr Kubicek's employment agreement in addition to unused leave entitlements at 30 June 2019.

Section 6 – Non-Executive Directors

6.1 Policy and Approach

Overview of policy	<p>(a) Structured with a fixed fee component only.</p> <p>(b) Fees are not linked to the performance of Ansell, so that independence and impartiality are maintained.</p> <p>(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).</p> <p>(d) Board and Committee fees are set by reference to a number of relevant considerations including:</p> <ul style="list-style-type: none"> • 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.
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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 FY20 Fees for Non-Executive Directors during FY20 were as follows:

Base Fees (Board)		
Non-Executive Chairman	US\$320,000 (inclusive of Committee fees)	
Non-Executive Deputy Chairman	US\$160,000 (inclusive of Committee fees)	
Non-Executive Director	US\$116,500	
Committee Fees	Committee Chair	Committee Member
Audit & Compliance Committee	US\$30,000	US\$12,000
HR Committee	US\$30,000	US\$12,000
Sustainability & Risk Committee	US\$30,000	US\$12,000
Governance Committee*		US\$6,000

* Fees for Governance Committee membership are incorporated in HR Committee fees. Where a member of the Governance Committee is not a member of the HR 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 COVID-19, as the Board were unable to travel, the travel allowance was suspended, effective 1 May 2020 and will resume once the Board recommences business travel.

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.

Remuneration Report (audited) continued

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	FY20	269,262	9,905	279,167
	FY19	159,817	15,183	175,000
Glenn L L Barnes (Former Chairman) ⁴	FY20	139,583	–	139,583
	FY19	335,000	–	335,000
Ronald J S Bell ⁵	FY20	n/a	n/a	n/a
	FY19	57,737	96	57,833
W Peter Day	FY20	161,644	15,356	177,000
	FY19	159,361	15,139	174,500
Leslie A Desjardins	FY20	170,691	309	171,000
	FY19	167,221	279	167,500
Marissa T Peterson	FY20	170,692	308	171,000
	FY19	173,211	289	173,500
William G Reilly	FY20	152,724	276	153,000
	FY19	151,241	259	151,500
Christina M Stercken	FY20	152,724	276	153,000
	FY19	155,241	259	155,500
Christine Y Yan ⁶	FY20	152,724	276	153,000
	FY19	38,875	–	38,875
Nigel D Garrard ⁷	FY20	45,053	4,280	49,333
	FY19	n/a	n/a	n/a
Total Non-Executive Directors' remuneration	FY20	1,415,097	30,986	1,446,083
	FY19	1,397,704	31,504	1,429,208

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 COVID-19 and the cessation of travel, the payment of the travel allowance was suspended from 1 May 2020. 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. Mr Bell retired from the Board on 18 October 2018 and his Directors Fees and associated entitlements reflect a part year entitlement up to his retirement date in FY19.

6. Ms Yan was appointed on 1 April 2019 and her Directors fees and associated entitlements reflect a part year entitlement in FY19 from the date of her appointment. Ms Yan did not attend any meetings in Australia in FY19 and was therefore not affected by footnote (2) above relating to Superannuation.

7. 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.

Section 7 – Group Performance and Remuneration Outcomes

7.1 Group Performance

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

	Total Group Statutory Results before the Sale of the Sexual Wellness Business		Results from Continuing Operations after the Sale of the Sexual Wellness Business		
	2016 US\$m	2017 US\$m	2018 Adjusted ³ US\$m	2019 Adjusted ³ US\$m	2020 US\$m
Sales	1,572.8	1,599.7	1,489.8	1,499.0	1,613.7
EBIT	236.7	217.8	193.1	202.8	219.7
Profit Attributable	159.1	147.7	146.7	150.9	158.7
Operating Cash Flow	144.8	146.0	104.5	164.7	191.7
Earnings Per Share (US cents)	105.1	100.1	102.0	111.5	121.8
Dividends Per Share ¹ (US cents)	43.5	44.0	45.5	46.75	50.0
Ansell share price (A\$) ²	18.17	22.68	27.19	26.85	36.70

1. Dividends have been declared in US\$ since Ansell adopted the US\$ as its reporting currency in FY14.

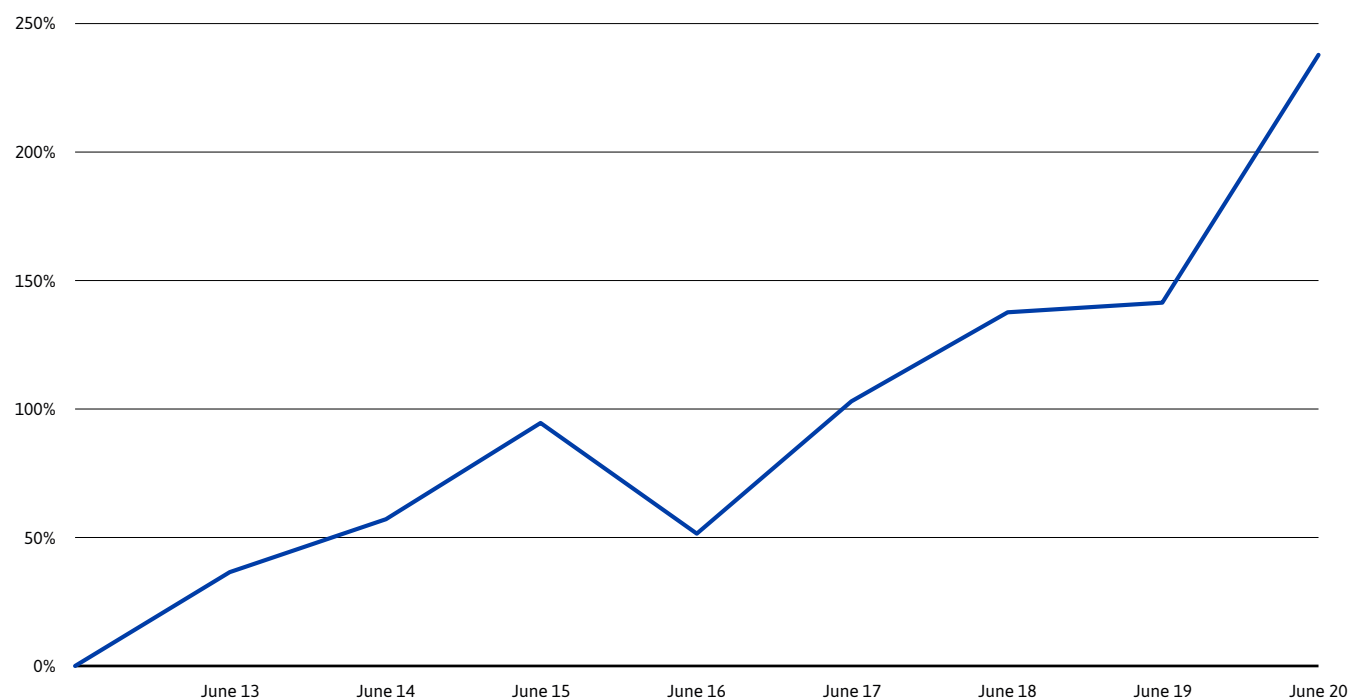
2. FY20 Share price is at 30 June 2020.

3. Adjusted results are continuing operations adjusted for the Transformation Program and other one-off costs.

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 2020.

Figure 7.2 Ansell TSR Performance



7.3 STI/LTI Payouts as Percentage of Maximum

CEO Incentive Outcomes	FY15	FY16	FY17	FY18	FY19	FY20
STI (% of maximum)	36%	29%	67%	37%	51%	66%
LTI (% of maximum)	50%	0%	0%	42%	48%	55%

Remuneration Report (audited) continued

Section 8 – Governance

8.1 Role of the Human Resources Committee (HRC)



8.2 External Consultants

During the 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. Prior to PwC’s appointment, the HRC engaged KPMG-3dc to provide independent remuneration advice. No remuneration recommendations as defined in Section 9B of *Corporations Act 2001* were provided by PwC or KPMG-3dc.

During FY18 and FY19, the HRC engaged PwC to review variable pay strategy and incentive plan design. The Committee agreed to defer making any determination on incentive plan changes until FY21.

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.

Section 9 – 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 refers to page 5 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.

FY16 means the 2016 financial year commencing on 1 July 2015 and ending on 30 June 2016. **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.

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.

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 and 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.

Remuneration Report (audited) continued

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 to the 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.

Consolidated Income Statement

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

	Note	2020 US\$m	2019 US\$m
Revenue			
Sales revenue	2, 3(c)	1,613.7	1,499.0
Expenses			
Cost of goods sold		(981.0)	(915.0)
Distribution		(76.4)	(69.9)
Selling, general and administration including transformation	3(b)	(336.6)	(356.8)
Total expenses, excluding financing costs		(1,394.0)	(1,341.7)
Net financing costs	3(a)	(17.4)	(13.6)
Share of profits of equity accounted investment, net of tax	8(a)	–	–
Profit before income tax		202.3	143.7
Income tax expense	4(a)	(42.2)	(30.6)
Profit for the period		160.1	113.1
Profit for the period is attributable to:			
Ansell Limited shareholders		158.7	111.7
Non-controlling interests		1.4	1.4
Profit for the period		160.1	113.1
	Note	2020 US cents	2019 US cents
Earnings Per Share:			
Basic Earnings Per Share	5	121.8	82.6
Diluted Earnings Per Share	5	120.0	81.2

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

Report by the Directors

Remuneration Report

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Shareholder Information

Consolidated Statement of Comprehensive Income

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

	Note	2020 US\$m	2019 US\$m
Profit for the period		160.1	113.1
Other comprehensive income			
<i>Items that will not be reclassified to the Income Statement:</i>			
Retained earnings			
Remeasurement of defined benefit superannuation/post-retirement health benefit plans	14(a)	(2.3)	(1.5)
Tax benefit on items that will not be subsequently reclassified to the Income Statement	4(a)	5.1	0.3
Total items that will not be reclassified to the Income Statement		2.8	(1.2)
<i>Items that may subsequently be reclassified to the Income Statement:</i>			
Foreign currency translation reserve			
Net exchange differences on translation of financial statements of foreign subsidiaries		(29.2)	(10.7)
Hedging reserve			
Movement in effective cash flow hedges for the year		(3.6)	(5.5)
Movement in time value of options for the year		(0.2)	(0.5)
Tax benefit on items that may subsequently be reclassified to the Income Statement	4(a)	0.9	1.2
Total items that may subsequently be reclassified to the Income Statement		(32.1)	(15.5)
Other comprehensive income for the period, net of tax where applicable		(29.3)	(16.7)
Total comprehensive income for the period		130.8	96.4
Attributable to:			
Ansell Limited shareholders		130.3	95.3
Non-controlling interests		0.5	1.1
Total comprehensive income for the period		130.8	96.4

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

Consolidated Balance Sheet

of Ansell Limited and Subsidiaries as at 30 June 2020

	Note	2020 US\$m	2019 US\$m
Current assets			
Cash and cash equivalents	6(a)	408.9	397.5
Trade and other receivables	7(a)	181.2	201.1
Derivative financial instruments	17(c)	5.7	5.1
Inventories	7(b)	340.1	335.6
Other current assets		25.1	19.9
Total current assets		961.0	959.2
Non-current assets			
Trade and other receivables		4.1	4.3
Derivative financial instruments	17(c)	1.8	2.7
Investments	8	11.9	–
Property, plant and equipment	9	251.5	229.8
Right-of-use assets	10(b)	55.5	–
Intangible assets	11	1,065.9	1,082.6
Deferred tax assets	4(b)	68.5	66.0
Retirement benefit assets	14(a)	2.1	4.9
Other non-current assets		26.3	27.4
Total non-current assets		1,487.6	1,417.7
Total assets		2,448.6	2,376.9
Current liabilities			
Trade and other payables	7(c)	254.7	225.6
Derivative financial instruments	17(d)	6.7	3.0
Interest bearing liabilities	12	50.0	20.0
Lease liabilities	10(c)	18.3	–
Provisions	13	66.4	56.4
Current tax liabilities		12.3	7.9
Total current liabilities		408.4	312.9
Non-current liabilities			
Trade and other payables		1.6	2.1
Derivative financial instruments	17(d)	0.8	0.4
Interest bearing liabilities	12	469.9	525.3
Lease liabilities	10(c)	39.3	–
Provisions	13	9.3	8.8
Retirement benefit obligations	14(a)	14.9	14.7
Deferred tax liabilities	4(c)	76.6	76.5
Other non-current liabilities		24.4	25.8
Total non-current liabilities		636.8	653.6
Total liabilities		1,045.2	966.5
Net assets		1,403.4	1,410.4
Equity			
Issued capital	15(a)	806.0	873.9
Reserves		(120.2)	(85.5)
Retained profits		705.7	610.0
Total equity attributable to Ansell Limited shareholders		1,391.5	1,398.4
Non-controlling interests		11.9	12.0
Total equity		1,403.4	1,410.4

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

	2020 US\$m	2019 US\$m
Total equity		
Balance at the beginning of the financial year	1,410.4	1,550.2
Change in accounting policy upon adoption of AASB 16 <i>Leases</i> net of tax	(4.1)	–
Total comprehensive income for the period attributable to:		
Ansell Limited shareholders	130.3	95.3
Non-controlling interests	0.5	1.1
Transactions with owners attributable to Ansell Limited shareholders:		
Shares issued under Dividend Reinvestment Plan	–	2.4
Share buy-back	(67.9)	(181.1)
Share-based payments reserve	(4.0)	9.3
Dividends	(61.2)	(62.1)
Transactions with owners attributable to non-controlling interests:		
Non-controlling interests of entities disposed	–	(4.2)
Dividends	(0.6)	(0.5)
Total equity at the end of the financial year	1,403.4	1,410.4
Share capital		
Balance at the beginning of the financial year	873.9	1,052.6
Transactions with owners as owners:		
Shares issued under Dividend Reinvestment Plan	–	2.4
Share buy-back	(67.9)	(181.1)
Balance at the end of the financial year	806.0	873.9

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

	2020 US\$m	2019 US\$m
Reserves		
Share-based payments reserve		
Balance at the beginning of the financial year	67.4	58.1
Transactions with owners as owners:		
Charge to the Income Statement	10.3	9.3
Issue of shares to employees to satisfy vesting of Performance Share Rights (PSRs) under the Group's Long Term Incentive plan	(14.3)	–
Balance at the end of the financial year	63.4	67.4
Hedging reserve		
Balance at the beginning of the financial year	1.0	5.8
Comprehensive income for the year:		
Movement in effective cash flow hedges net of tax	(2.7)	(5.3)
Movement in time value of options net of tax	(0.2)	0.5
Balance at the end of the financial year	(1.9)	1.0
General reserve		
Balance at the beginning of the financial year	11.0	16.9
Transfer from/(to) retained profits	0.5	(5.9)
Balance at the end of the financial year	11.5	11.0
Foreign currency translation reserve		
Balance at the beginning of the financial year	(164.9)	(154.5)
Comprehensive income for the year:		
Net exchange differences on translation of financial statements of foreign subsidiaries	(28.3)	(10.4)
Balance at the end of the financial year	(193.2)	(164.9)
Transactions with non-controlling interests		
Balance at the beginning of the financial year	–	(10.9)
Transfer to retained profits	–	10.9
Balance at the end of the financial year	–	–
Fair value reserve		
Balance at the beginning of the financial year	–	2.6
Transfer to retained profits	–	(2.6)
Balance at the end of the financial year	–	–
Total reserves at the end of the financial year	(120.2)	(85.5)
Retained profits		
Balance at the beginning of the financial year	610.0	564.0
Transfer to reserves	(0.5)	(2.4)
Change in accounting policy upon adoption of AASB 16 Leases net of tax	(4.1)	–
Comprehensive income for the period:		
Net profit attributable to Ansell Limited shareholders	158.7	111.7
Remeasurement of defined benefit superannuation/post-retirement health benefit plans net of tax	2.8	(1.2)
Dividends paid	(61.2)	(62.1)
Balance at the end of the financial year	705.7	610.0

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 2020

	Note	2020 US\$m	2019 US\$m
Cash flows related to operating activities			
Receipts from customers		1,625.9	1,502.6
Payments to suppliers and employees		(1,300.8)	(1,288.7)
Net receipts from operations		325.1	213.9
Income taxes paid		(34.2)	(25.0)
Net cash provided by operating activities	6(b)	290.9	188.9
Cash flows related to investing activities			
Payments for businesses, net of cash acquired		(0.4)	(75.5)
Payments for property, plant, equipment and intangible assets		(64.8)	(43.6)
Payments for investments		(11.9)	–
Payments for the disposal of discontinued operations, including cash disposed and disposal costs		–	(4.4)
Income tax paid on the net gain on the disposal of discontinued operations		–	(0.3)
Proceeds from the sale of property, plant and equipment		2.3	0.1
Net cash used in investing activities		(74.8)	(123.7)
Cash flows related to financing activities			
Proceeds from borrowings		34.8	–
Repayments of borrowings		(52.4)	–
Repayments of lease liabilities		(20.3)	–
Payments for share buy-back		(67.9)	(181.1)
Payments for shares acquired to satisfy vesting of PSRs under the Group's Long Term Incentive plan		(14.3)	–
Dividends paid – Ansell Limited shareholders		(61.2)	(59.7)
Dividends paid – Non-controlling interests		(0.6)	(0.5)
Interest received		5.3	8.8
Interest on interest bearing liabilities and financing costs paid		(20.2)	(20.9)
Interest paid on lease liabilities		(1.5)	–
Net cash used in financing activities		(198.3)	(253.4)
Net increase/(decrease) in cash and cash equivalents		17.8	(188.2)
Cash and cash equivalents at the beginning of the financial year		397.5	589.8
Effect of movements in exchange rates on cash held		(6.4)	(4.1)
Cash and cash equivalents at the end of the financial year	6(a)	408.9	397.5

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

Notes to the Financial Statements

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

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.

- 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 25 August 2020.

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.

New Standards Adopted Effective 1 July 2019

The Group adopted IFRS 16/AASB 16 *Leases* (AASB 16) effective from 1 July 2019 which resulted in a change in accounting policy in respect of operating leases.

The Group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained profits at 1 July 2019. The comparative information presented has not been restated.

Accounting Policy Change

As a lessee, the Group previously classified leases as operating or finance leases, under IAS 17/AASB 117 *Leases* (AASB 117), based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to the ownership of the underlying assets to the Group. Under AASB 16, the Group recognises right-of-use assets and lease liabilities in respect of contracts that meet the definition of a lease.

Leases Classified as Operating Leases Under AASB 117

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These lease liabilities were measured at the present value of the remaining lease payments, discounted at the incremental borrowing rates as at 1 July 2019. Right-of-use assets were measured as if AASB 16 had always been applied but using the incremental borrowing rates as at 1 July 2019.

The weighted average incremental borrowing rate used at 1 July 2019 was 3.2%.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

1. Summary of Significant Accounting Policies continued

The Group applied the following practical expedients upon adoption of AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for short-term and low value leases;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Refer to Note 10 Leases for the impact on the financial statements of the transition to AASB 16.

The Group early adopted AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*. The amendments include a number of reliefs that apply to all hedging relationships directly affected by interest rate benchmark reform. A hedging relationship is affected if interest rate benchmark reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The relief applies during the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate. The relief ceases to apply once certain conditions are met. Ansell's borrowing and hedging derivatives portfolio is exposed to a number of benchmark rates, predominately Euribor, USD LIBOR and GBP LIBOR. The Group has commenced a project to monitor the developments of international regulators and to assess the impact of the introduction of alternative risk-free rates.

The notional value of hedging instruments in those hedging relationships is \$142.1m.

The adoption of AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform* has not had a significant impact on the Group's accounting policies or practices.

Except for the adoption of AASB 16 *Leases*, AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*, and AASB Interpretation 23 *Uncertainty over Income Tax Treatments*, the accounting policies applied by the Group in these consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2019. The adoption of AASB Interpretation 23 did not have a significant impact on the Group's financial statements.

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 Balance Sheet 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.

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 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 Notes 9 and 11.

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.

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 Balance Sheet. In such circumstances the carrying amount of this asset may require adjustment resulting in a corresponding credit or charge to the Income Statement.

Defined Benefit Superannuation Plans

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

COVID-19

COVID-19 drove unprecedented demand for some of our products but also disrupted some operations due to temporary enforced government shutdowns. Overall, the Group’s FY20 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 Balance Sheet. 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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

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.

2020	Operating Segments			Total Group US\$m
	Healthcare US\$m	Industrial US\$m	Unallocated US\$m	
Sales revenue	894.6	719.1	–	1,613.7
Profit/(loss) before net financing costs and income tax expense	141.8	92.4	(14.5)	219.7
Net financing costs	–	–	(17.4)	(17.4)
Profit before income tax expense	141.8	92.4	(31.9)	202.3
Income tax expense				(42.2)
Profit after income tax				160.1
Non-controlling interests				(1.4)
Net profit attributable to Ansell Limited shareholders				158.7
Segment assets	1,059.4	835.4	553.8	2,448.6
Segment liabilities	130.1	133.7	781.4	1,045.2
Segment depreciation and amortisation	22.2	26.4	7.9	56.5
Segment capital expenditure	30.5	26.2	8.1	64.8

2019	Operating Segments			Total Group US\$m
	Healthcare US\$m	Industrial US\$m	Unallocated US\$m	
Sales revenue	795.3	703.7	–	1,499.0
Profit/(loss) before restructuring, asset impairment, net financing costs and income tax expense	115.3	98.7	(11.2)	202.8
Restructuring and Transformation	(3.1)	(25.8)	(8.3)	(37.2)
Asset impairment	–	(8.3)	–	(8.3)
Net financing costs	–	–	(13.6)	(13.6)
Profit before income tax expense	112.2	64.6	(33.1)	143.7
Income tax expense				(30.6)
Profit after income tax				113.1
Non-controlling interests				(1.4)
Net profit attributable to Ansell Limited shareholders				111.7
Segment assets	1,014.2	825.2	537.5	2,376.9
Segment liabilities	109.2	115.7	741.6	966.5
Segment depreciation and amortisation	14.6	18.3	5.3	38.2
Segment capital expenditure	16.4	22.7	4.5	43.6

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 and Portugal.

Latin America and Caribbean: manufacturing facility in Brazil.

North America: manufacturing facility in Mexico.

	Sales Revenue		Regional Assets	
	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m
Regions				
Asia Pacific	208.2	181.4	393.4	340.9
Europe, Middle East and Africa	543.7	531.6	172.8	183.7
Latin America and Caribbean	106.7	109.4	50.8	54.8
North America	755.1	676.6	229.0	206.1
Total regions	1,613.7	1,499.0	846.0	785.5

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:

	2020 US\$m	2019 US\$m
Sales revenue	127.6	119.3
Assets	28.2	27.6

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

3. Profit Before Income Tax

	2020 US\$m	2019 US\$m
(a) Profit Before Income Tax has been Arrived at after Charging/(Crediting) the Following Items		
This table summaries expenses by nature:		
Interest expense on interest bearing liabilities	17.9	18.9
Interest expense on lease liabilities	1.5	–
Other financing costs	2.9	2.5
Interest income	(4.9)	(7.8)
Net financing costs	17.4	13.6
Bad debts written off	0.1	0.1
Provision for impairment of trade receivables – recognised	0.5	0.7
Net bad debts expense and provision for impairment of trade receivables	0.6	0.8
Wages and salaries	240.4	223.5
Increase in provision for employee entitlements	13.7	14.1
Defined contribution superannuation plan expense	12.3	11.7
Defined benefit superannuation plan expense	2.2	2.3
Equity settled share-based payments expense	10.3	9.3
Employee benefits expense	278.9	260.9
Research and development costs	14.3	12.2
Net foreign exchange gain	(0.5)	(6.8)
(Gain)/loss on the sale of property, plant and equipment	(0.9)	0.4
Income from sub-leasing of right-of-use assets	(1.0)	–
Variable lease payments	8.9	–
Operating lease rentals	–	29.6
Write-down in value of inventories	5.0	6.0

(b) Transformation

The following table summarises the impact on the profit before income tax of the Transformation initiative announced on 20 July 2017 and completed in the previous financial year:

	2020 US\$m	2019 US\$m
Selling, general and administration		
Restructuring – Transformation initiative	–	37.2
Asset impairment (property, plant and equipment) – Transformation initiative	–	8.3

(c) 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

	2020 US\$m	2019 US\$m
(a) Income Tax Expense		
Prima facie income tax calculated at 30% (2019: 30%) on profit before income tax	60.7	43.1
Reduced taxation arising from:		
Investment and export incentive allowances	(7.7)	(13.2)
Impact of transformation costs	–	7.4
Net lower overseas tax rates	(10.9)	(6.3)
Other permanent differences	0.1	(0.4)
Income tax expense attributable to profit before income tax	42.2	30.6
Income tax expense attributable to profit before income tax is made up of:		
Current year income tax	38.8	23.2
Deferred income tax attributable to:		
Increase in deferred tax liability	1.4	7.2
Decrease in deferred tax asset	2.0	0.2
	42.2	30.6
Income tax benefit recognised in other comprehensive income		
Remeasurement of defined benefit superannuation/post-retirement health benefit plans*	(5.1)	(0.3)
Movement in effective hedges for year	(0.9)	(1.2)
	(6.0)	(1.5)
* Current year includes an adjustment to deferred tax on actuarial gains/losses reported in prior periods.		
(b) Deferred Tax Assets		
Deferred tax assets arising from:		
Deductible temporary differences	42.1	36.0
Accumulated tax losses	26.4	30.0
	68.5	66.0
Deferred tax assets are attributable to the following:		
Trading stock tax adjustments	5.5	7.2
Provisions	26.2	18.2
Accruals	5.2	4.7
Leased assets	0.7	–
Amortisation of intangible assets	4.5	5.9
Accumulated tax losses	26.4	30.0
Total deferred tax assets	68.5	66.0
Details of the movement in the balance of deferred tax assets are as follows:		
Balance at the beginning of the financial year	66.0	67.6
Under provision of prior year balance	0.3	0.1
Amount charged to the Income Statement	(2.0)	(0.2)
Amount credited to other comprehensive income	5.1	0.5
Net exchange differences on translation of foreign subsidiaries	(0.9)	(2.0)
Balance at the end of the financial year	68.5	66.0

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

4. Income Tax *continued*

	2020 US\$m	2019 US\$m
(c) Deferred Tax Liabilities		
Deferred tax liabilities are attributable to the following:		
Depreciation on plant and equipment	6.7	6.2
Amortisation of intangible assets	64.4	63.9
Financial instruments	(0.2)	0.8
Other	5.7	5.6
Total deferred tax liabilities	76.6	76.5

Details of the movement in the balance of deferred tax liabilities are as follows:

Balance at the beginning of the financial year	76.5	71.1
Over provision of prior year balance	(0.1)	(0.1)
Amount charged to the Income Statement	1.4	7.2
Amount credited to other comprehensive income	(0.9)	(1.0)
Net exchange differences on translation of foreign subsidiaries	(0.3)	(0.7)
Balance at the end of the financial year	76.6	76.5

(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 Balance Sheet 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 \$7.6m (2019: \$8.3m) and \$59.0m of capital losses (2019: \$60.2m). 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

	2020 US\$m	2019 US\$m
Earnings reconciliation		
Profit for the period	160.1	113.1
Less profit for the period attributable to non-controlling interests	(1.4)	(1.4)
Basic earnings	158.7	111.7
Diluted earnings	158.7	111.7

	Number of Shares (Millions)	
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic Earnings Per Share	130.3	135.3
Effect of partly paid Executive Plan shares and PSRs	2.0	2.2
Number of ordinary shares for diluted Earnings Per Share	132.3	137.5

	US Cents	US Cents
Earnings Per Share		
Basic Earnings Per Share	121.8	82.6
Diluted Earnings Per Share	120.0	81.2

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.

6. Cash and Cash Equivalents

	2020 US\$m	2019 US\$m
(a) Cash and Cash Equivalents		
Cash on hand	0.1	0.1
Cash at bank	149.6	108.5
Short-term deposits	256.4	286.1
	406.1	394.7
Restricted deposits	2.8	2.8
Total cash and cash equivalents	408.9	397.5

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

6. Cash and Cash Equivalents continued

	2020 US\$m	2019 US\$m
(b) Reconciliation of Net Profit After Tax to Net Cash Provided by Operating Activities		
Profit for the period	160.1	113.1
Add/(less) non-cash items:		
Depreciation	31.1	31.5
Amortisation	25.4	6.7
Impairment – trade receivables	0.5	0.7
Share-based payments expense	10.3	9.3
Write-down of property, plant and equipment	1.0	8.3
Add/(less) items classified as investing/financing activities:		
Interest income	(4.9)	(7.8)
Interest expense on interest bearing liabilities and financing costs	20.8	21.4
Interest expense on lease liabilities	1.5	–
(Gain)/loss on the sale of property, plant and equipment	(0.9)	0.4
Net cash provided by operating activities before change in assets and liabilities	244.9	183.6
Change in assets and liabilities net of effect from acquisitions and disposals of businesses and subsidiaries:		
Decrease in trade and other receivables	12.1	3.5
(Increase)/decrease in inventories	(14.0)	2.4
Increase in other assets	(5.8)	(1.1)
Increase/(decrease) in trade and other payables	32.9	(2.4)
Increase in provisions/other liabilities	11.7	5.0
Increase in retirement benefit obligations	0.9	0.5
Increase in deferred tax liabilities	0.3	6.2
Decrease in deferred tax assets	3.4	1.2
Increase/(decrease) in current tax liabilities	4.7	(7.9)
Other non-cash items (including foreign currency impact)	(0.2)	(2.1)
Net cash provided by operating activities	290.9	188.9
(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 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 Note 13 Provisions – Other Provisions).		

7. Working Capital

	2020 US\$m	2019 US\$m
Net trade receivables	173.4	192.2
Inventories	340.1	335.6
Trade payables	(220.1)	(185.3)
Total working capital	293.4	342.5

(a) Current Trade and Other Receivables

	2020 US\$m	2019 US\$m
Trade receivables	240.9	251.6
Allowance for impairment	(6.1)	(8.1)
Provision for rebates and allowances	(61.4)	(51.3)
Net trade receivables	173.4	192.2
Other amounts receivable	7.8	8.9
Total current trade and other receivables	181.2	201.1

Movements in the allowance for impairment of trade receivables:

	2020 US\$m	2019 US\$m
Balance at the beginning of the financial year	8.1	8.0
Amounts charged to the Income Statement	0.5	0.7
Amounts utilised	(2.0)	(0.6)
Net exchange differences on translation of foreign subsidiaries	(0.5)	–
Balance at the end of the financial year	6.1	8.1

	Gross Trade Receivables		Allowance for Impairment	
	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m
Ageing of Trade Receivables				
Within agreed terms	195.9	211.0	–	–
Past due 0-60 days	35.9	33.1	–	1.5
Past due 61-90 days	1.0	0.8	–	0.5
Past due 91 days or more	8.1	6.7	6.1	6.1
Total	240.9	251.6	6.1	8.1

(b) Inventories

	2020 US\$m	2019 US\$m
Raw materials	52.1	44.5
Work in progress	19.6	21.5
Finished goods	268.4	269.6
Total inventories	340.1	335.6

	2020 US\$m	2019 US\$m
Inventories recognised as an expense	941.9	882.5

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

7. Working Capital continued

(c) Current Trade and Other Payables

	2020 US\$m	2019 US\$m
Current		
Trade payables	220.1	185.3
Other payables	34.6	40.3
Total current trade and other payables	254.7	225.6

(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 basis 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 Significant 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.

8. Investments

(a) Equity Accounted Investment

	2020 US\$m	2019 US\$m
Investment in Careplus (M) Sdn Bhd (CMSB)	8.9	–

On 6 February 2020, Ansell Limited announced that it had entered into an agreement to acquire 50% of the issued shares in CMSB from Careplus Group Berhad. The agreement was subject to Careplus Group shareholder approval and customary closing conditions. The transaction was completed on 14 May 2020.

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. The Careplus Group is a current supplier to Ansell.

The agreement 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

Associates are entities in which the Group has significant influence, but not control, over the financial and operating policies and are accounted for using the equity method. Investments in associates 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 the associate with a corresponding adjustment to the carrying amount of the investment, until the date on which significant influence ceases. Dividends received from associates reduce the carrying amount of the investment.

(b) Unlisted Equity Investment

	2020 US\$m	2019 US\$m
Investment in Modjoul	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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

9. Property, Plant and Equipment

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/scrapings	(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

2019	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	10.6	34.4	65.2	425.7	14.7	550.6
Accumulated depreciation	–	(15.4)	(24.5)	(280.9)	–	(320.8)
	10.6	19.0	40.7	144.8	14.7	229.8

Movement

Balance at the beginning of the financial year	7.1	16.9	39.9	147.2	19.3	230.4
Additions	–	5.2	0.5	7.5	26.8	40.0
Additions through entities/businesses acquired	–	–	–	0.4	–	0.4
Disposals/scrapings	–	(2.8)	(0.2)	(5.3)	(0.5)	(8.8)
Transfer from buildings and plant under construction	3.2	0.8	3.8	22.9	(30.7)	–
Depreciation	–	(1.1)	(2.8)	(27.6)	–	(31.5)
Net exchange differences on translation of foreign subsidiaries	0.3	–	(0.5)	(0.3)	(0.2)	(0.7)
Balance at the end of the financial year	10.6	19.0	40.7	144.8	14.7	229.8

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.

10. Leases

(a) Impact on Financial Statements of Transition to AASB 16

On transition to AASB 16, the Group recognised \$43.5m of right-of-use assets, \$48.1m of lease liabilities, \$0.5m in non-current receivables (sublease), \$1.0m in net deferred tax assets, a derecognition of \$1.0m in net prepaid leases and an offset of \$4.1m in retained earnings.

	1 July 2019 US\$m
Operating lease commitments disclosed as at 30 June 2019	66.9
Discount using incremental borrowing rate at 1 July 2019	(10.0)
Reassessment of lease payments subject to future rate increases	(8.8)
Lease liability recognised as at 1 July 2019	48.1

(b) Right-of-use Assets

	Buildings US\$m	Motor Vehicles US\$m	Other Plant & Equipment US\$m	Total US\$m
2020				
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 at the beginning of the financial 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)
Amortisation	(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

(c) Lease Liabilities

	2020 US\$m	2019 US\$m
Recognised on adoption of AASB 16 at the beginning of the financial year	48.1	–
New leases	10.7	–
Modifications	21.0	–
Terminations	(0.6)	–
Repayments	(20.3)	–
Net exchange differences on translation of foreign subsidiaries	(1.3)	–
Balance at the end of the financial year	57.6	–
Ageing of lease liabilities		
Current	18.3	–
Non-current	39.3	–
	57.6	–

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

10. Leases *continued*

(d) 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.

2020	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
Lease liabilities	57.6	68.6	19.7	16.8	19.1	13.0

(e) 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.

11. Intangible Assets

2020	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
Additions	–	–	6.4	–	6.4
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	75.5	23.5	1,318.4
Provision for amortisation and impairment					
Balance at the beginning of the financial year	140.2	58.0	41.4	7.6	247.2
Amortisation	–	0.1	5.8	1.2	7.1
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	46.6	8.6	252.5
Written down value at the end of the financial year	834.7	187.4	28.9	14.9	1,065.9

2019	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	942.0	237.7	69.4	23.7	1,272.8
Additions	–	–	3.6	–	3.6
Additions through entities acquired	50.1	14.2	–	–	64.3
Net exchange differences on translation of foreign subsidiaries	(4.8)	(3.3)	(2.8)	–	(10.9)
Balance at the end of the financial year	987.3	248.6	70.2	23.7	1,329.8
Provision for amortisation and impairment					
Balance at the beginning of the financial year	140.7	59.6	37.8	6.3	244.4
Amortisation	–	0.1	5.3	1.3	6.7
Net exchange differences on translation of foreign subsidiaries	(0.5)	(1.7)	(1.7)	–	(3.9)
Balance at the end of the financial year	140.2	58.0	41.4	7.6	247.2
Written down value at the end of the financial year	847.1	190.6	28.8	16.1	1,082.6

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

	2020 US\$m	2019 US\$m
Healthcare	675.7	677.7
Industrial	346.4	360.0
	1,022.1	1,037.7

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 3 to 10-year period.

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, 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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

11. Intangible Assets *continued*

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.

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 2021 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 2022 to 2025 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 include the annual revenue growth rate 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 the 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 1.9% (2019: between 1.9% and 2.0%) and the post-tax discount rates applied range between 8.3% and 8.9% (2019: between 7.9% and 8.2%).

12. Interest Bearing Liabilities

	2020 US\$m	2019 US\$m
Current		
Loans repayable in:		
United States dollars	50.0	20.0
Total current	50.0	20.0
Non-current		
Loans repayable in:		
Euros	142.2	143.8
United States dollars	200.0	250.0
Great British pounds	127.7	131.5
Total non-current	469.9	525.3
Total interest bearing liabilities	519.9	545.3

This table summarises the movement in interest bearing liabilities for the year ended 30 June 2020:

	2020 US\$m
Balance at the beginning of the financial year	545.3
Movements in cash flows related to financing activities:	
Proceeds from borrowings as per the Consolidated Statement of Cash Flows	34.8
Repayments of borrowings as per the Consolidated Statement of Cash Flows	(52.4)
Other movements:	
Net exchange differences on translation of foreign subsidiaries	(7.8)
Balance at the end of the financial year	519.9

The Group has a syndicated borrowing facility of US\$300m with GBP 103.8m (equivalent of US\$127.7m) drawn down at 30 June 2020 maturing in June 2023, a Euro 50.0m revolving credit facility with Euro 25.0m (equivalent of US\$28.1m) drawn down at 30 June 2020 maturing in July 2024 and Senior Notes to the equivalent of US\$364.1m. Senior Notes of US\$250.0m and Euro 101.5m (equivalent of US\$114.1m) mature between April 2021 and June 2029. These facilities can be accessed by certain Australian, US, UK and European subsidiaries.

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.

	2020 US\$m	2019 US\$m
Net interest bearing debt		
Current interest bearing liabilities	50.0	20.0
Current lease liabilities	18.3	–
Non-current interest bearing liabilities	469.9	525.3
Non-current lease liabilities	39.3	–
Cash at bank and short-term deposits	(406.0)	(394.6)
Net interest bearing debt	171.5	150.7

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

12. Interest Bearing Liabilities continued

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	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

Nature and Currency of Borrowing		Effective Interest Rate % p.a.	Financial Year of Debt Maturity	2019 US\$m
Bank loans	Euros	1.00	2021	28.4
	Great British pounds	2.35	2023	131.5
Other loans	Euros	1.02	2027	40.6
	Euros	2.75	2028	40.6
	Euros	2.47	2029	34.2
	United States dollars	4.41	2020	20.0
	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				545.3

13. Provisions

	2020 US\$m	2019 US\$m
Current		
Provision for employee entitlements	58.3	44.9
Provision for rationalisation and restructuring costs	5.1	8.3
Other provisions	3.0	3.2
Total current	66.4	56.4
Non-current		
Provision for employee entitlements	9.3	8.8
Total non-current	9.3	8.8
Total provisions	75.7	65.2

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

	2020 US\$m	2019 US\$m
Provision for rationalisation and restructuring costs		
Balance at the beginning of the financial year	8.3	5.7
Amounts charged to the Income Statement	2.0	4.8
Payments made	(5.1)	(2.3)
Net exchange differences on translation of foreign subsidiaries	(0.1)	0.1
Balance at the end of the financial year	5.1	8.3
Other provisions		
Balance at the beginning of the financial year	3.2	3.5
Amounts credited to the Income Statement	(0.1)	(0.3)
Payments made	–	0.1
Net exchange differences on translation of foreign subsidiaries	(0.1)	(0.1)
Balance at the end of the financial year	3.0	3.2

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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

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 Lead. 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

	2020 US\$m	2019 US\$m
Fair value of defined benefit plan assets	29.5	31.6
Present value of accumulated defined benefit obligations	(27.4)	(26.7)
Defined benefit asset recognised in the Balance Sheet	2.1	4.9

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

	2020 US\$m	2019 US\$m
Balance at the beginning of the financial year	4.9	5.9
Actuarial losses ⁽ⁱ⁾	(2.5)	(0.9)
Current service cost ⁽ⁱⁱ⁾	(0.2)	(0.3)
Net interest income ⁽ⁱⁱ⁾	0.1	0.2
Net exchange differences on translation of foreign subsidiaries	(0.2)	–
Balance at the end of the financial year	2.1	4.9

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

	2020 US\$m	2019 US\$m
Discount rate	2.1%	3.2%
Future salary increases	3.0%	3.0%

Retirement Benefit Liability

	2020 US\$m	2019 US\$m
Present value of accumulated defined benefit obligations	31.8	30.1
Fair value of defined benefit plan assets	(16.9)	(15.4)
Net defined benefit liability recognised in the Balance Sheet	14.9	14.7

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

	2020 US\$m	2019 US\$m
Balance at the beginning of the financial year	14.7	14.3
Actuarial (gains)/losses ⁽ⁱ⁾	(0.2)	0.6
Current service cost ⁽ⁱⁱ⁾	2.0	2.0
Net interest cost ⁽ⁱⁱ⁾	0.1	0.2
Employer contributions ⁽ⁱⁱⁱ⁾	(1.7)	(1.5)
Net exchange differences on translation of foreign subsidiaries	–	(0.9)
Balance at the end of the financial year	14.9	14.7

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

	2020 US\$m	2019 US\$m
Discount rate	1.1%	1.2%
Future salary increases	1.5%	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 are a cash payment and are recorded as part of payments to suppliers and employees in the Consolidated Statement of Cash Flows.

The Group expects \$1.2m in contributions to be paid to its defined benefit plans during the year ending 30 June 2021.

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

	2020 US\$m	2019 US\$m
Equity securities	3%	4%
Fixed interest securities	34%	31%
Property	2%	2%
Cash and cash equivalents	59%	61%
Other	2%	2%

(b) Defined Contribution Superannuation Plans

	2020 US\$m	2019 US\$m
Contributions to defined contribution superannuation plans during the year	12.3	11.7

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

15. Issued Capital and Reserves

(a) Issued Capital

	2020 US\$m	2019 US\$m
Issued capital		
128,527,343 (2019: 132,302,593) ordinary shares, fully paid	806.0	873.9
44,700 (2019: 44,700) Executive Share Plan shares, paid to A\$0.05 per share	–	–
Total issued capital	806.0	873.9

	Number of Shares	
Movement in shares on issue		
Ordinary shares		
Balance at the beginning of the financial year	132,302,593	142,280,089
Issue of new shares under Dividend Reinvestment Plan	–	132,874
Conversion of Executive Share Plan shares to fully paid	–	5,000
Buy-back/cancellation of shares	(3,775,250)	(10,115,370)
Balance at the end of the financial year	128,527,343	132,302,593
Executive Share Plan shares		
Balance at the beginning of the financial year	44,700	49,700
Conversion of Executive Share Plan shares to fully paid	–	(5,000)
Balance at the end of the financial year	44,700	44,700

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, 145,354 shares were purchased on market and issued to shareholders during the year (2019: 132,874 new shares were issued to shareholders).

Executive Share Plan

During the financial year, nil Executive Share Plan shares were paid (2019: 5,000). Shares allotted under the Pacific Dunlop Executive Share Plan (which was discontinued in 1996) have been paid to A\$0.05 per share.

Options

As at the date of this Report, there are nil (2019: 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 options and interest rate swaps that are deemed to be effective.

General Reserve

In certain jurisdictions regulatory requirements result in appropriations being made to a general reserve. The amount in the general reserve is available for release to retained profits.

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.

16. Dividends Paid or Declared

	2020 US\$m	2019 US\$m
Dividends paid		
A final dividend of US26.00 cents per share unfranked for the year ended 30 June 2019 (June 2018: US25.00 cents unfranked) was paid on 5 September 2019 (2018: 13 September 2018)	34.5	34.9
An interim dividend of US21.75 cents per share unfranked for the year ended 30 June 2020 (June 2019: US20.75 cents unfranked) was paid on 12 March 2020 (2019: 14 March 2019)	26.7	27.2
	61.2	62.1

Dividends Declared

Since the end of the financial year the Directors have declared a final dividend of US28.25 cents per share unfranked, to be paid on 17 September 2020. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2020 and will be recognised in subsequent financial reports.

Dividend Franking Account

The balance of the dividend franking account as at 30 June 2020 was nil (2019: nil).

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

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. Group treasury 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).

(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 the 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/Future Contracts

These contracts 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.

(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 receivable and payable 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:

	Net Receivable	
	2020 US\$m	2019 US\$m
Net receivable in non-US\$ reporting entities	26.7	20.0

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	
	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m
With all other variables held constant:				
10% increase in US\$ exchange rate	-	-	7.3	8.0
10% decrease in US\$ exchange rate	-	-	(4.1)	(1.9)

(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.

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 %	Fixed Interest Repricing in:					Total US\$m
		Floating US\$m	1 Year or Less US\$m	1 to 2 Years US\$m	2 to 5 Years US\$m	> 5 Years US\$m	
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
2019							
Bank and other loans	3.4	159.9	20.0	50.0	100.0	215.4	545.3
Effect of interest rate swaps*	(0.1)	(43.8)	(20.0)	28.4	35.4	–	–
		116.1	–	78.4	135.4	215.4	545.3

* 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	
	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m
With all other variables held constant:				
If interest rates were 10% higher	–	–	–	0.2
If interest rates were 10% lower	–	–	–	(0.2)

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

17. Financial Risk Management continued

(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 Balance Sheet. 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.

(i) Credit Risk – Cash and Cash Equivalents

The Group held cash and cash equivalents of US\$408.9m at 30 June 2020 (2019: US\$397.5m). The material cash and cash equivalent balances are held with bank and financial institution counterparties which 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 counter-parties 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.

	Carrying Amount	
	2020 US\$m	2019 US\$m
Net trade receivables	173.4	192.2

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.

(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 counter-party default loss is not considered material. The following table indicates the value of amounts owing by counter-parties by maturity.

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m
Term:								
0-6 months	1.7	1.6	–	–	1.7	1.7	3.4	3.3
6-12 months	0.3	0.5	–	–	2.0	1.3	2.3	1.8
1-2 years	–	–	–	–	–	–	–	–
2-5 years	–	–	1.8	2.7	–	–	1.8	2.7
> 5 years	–	–	–	–	–	–	–	–
Total	2.0	2.1	1.8	2.7	3.7	3.0	7.5	7.8

(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:

- 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);
- retaining appropriate levels of cash and cash equivalents;
- spreading the maturity dates of long-term debt facilities between financial years (to the extent practicable); and
- regular monitoring of cash balances and cash requirement forecasts.

The following table sets out the contractual maturities of the Group's financial liabilities (excluding lease liabilities – refer note 10(d) – 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
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
2019						
Trade and other payables	227.7	227.7	225.6	2.1	–	–
Bank and other loans	545.3	633.7	37.6	94.6	270.8	230.7
Derivative financial instruments	3.4	3.4	3.0	0.2	0.2	–
Total	776.4	864.8	266.2	96.9	271.0	230.7

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, predominately 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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

17. Financial Risk Management continued

(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 counter-parties 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)/by financial institutions under all derivative financial instruments would have been nil (2019: \$4.4m) if all contracts were closed out on 30 June 2020.

2020	Average Exchange Rates	Average Maturity Days	Nominal/Face Value US\$m	Credit Risk US\$m	Net Fair Value US\$m
Foreign exchange contracts					
<i>Purchase/sale contracts:</i>					
– 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 ringgits/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 ringgits	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 %	Years			
<i>Interest Rate Swaps:</i>					
– 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	–

2019	Average Exchange Rates	Average Maturity Days	Nominal/Face Value US\$m	Credit Risk US\$m	Net Fair Value US\$m
Foreign exchange contracts					
<i>Purchase/sale contracts:</i>					
– United States dollars/Euros	1.19	85	21.7	0.8	0.8
– Australian dollars/Japanese yen	77.88	60	6.7	–	–
– Malaysian ringgits/United States dollars	4.15	139	101.9	0.3	(0.2)
– Thai baht/United States dollars	30.98	25	5.5	–	–
– Sri Lankan rupees/United States dollars	180.10	184	34.6	0.6	(0.1)
– United States dollars/Australian dollars	0.70	56	20.3	0.1	–
– Other	–	–	61.5	0.3	–
Foreign exchange zero cost collar options					
	Options strike rates				
– Euros/United States dollars	1.16 – 1.18	186	134.8	2.7	1.5
– Australian dollars/United States dollars	0.69 – 0.71	135	3.5	–	–
– Canadian dollars/United States dollars	0.75 – 0.77	85	3.0	–	–
– United States dollars/Mexican pesos	20.00 – 22.00	195	6.6	0.2	0.1
– Japanese yen/United States dollars	104.00 – 106.00	129	4.6	0.1	–
Interest rate contracts					
<i>Interest rate swaps:</i>	Interest rate %	Years			
– GBP Payable fixed	0.96	2.7	76.0	–	(0.2)
– Euros Payable floating	Euribor	3.2	40.6	2.7	2.7
– Euros Payable fixed	0.00	1.6	28.4	–	(0.2)
– US dollars Payable floating	Libor	1.0	20.0	–	–
Total			569.7	7.8	4.4

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

17. Financial Risk Management continued

The effects of hedge accounting on the financial position and performance of the Group is as follows:

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 OCI	Hedge Ineffectiveness Recognised in P&L	Amount Reclassified from Hedging Reserve to P&L
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)
USD interest	–	–	–	–	–	–
Fair value hedges						
EUR interest	1.8	–	–	–	–	–
USD interest	–	–	–	–	–	–

2019	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 OCI	Hedge Ineffectiveness Recognised in P&L	Amount Reclassified from Hedging Reserve to P&L
Cash flow hedges						
Revenue (up to 1 year)	2.3	2.3	(2.3)	2.3	–	6.5
Costs (up to 2 years)	(0.3)	(0.3)	0.3	(0.3)	–	0.7
EUR interest	(0.2)	(0.2)	0.2	(0.2)	–	(0.1)
GBP interest	(0.2)	(0.2)	0.2	(0.2)	–	0.6
USD interest	–	–	–	–	–	–
Fair value hedges						
EUR interest	2.7	–	–	–	–	–
USD interest	–	0.4	(0.4)	–	–	–

* 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.

	2020 US\$m	2019 US\$m
Level 2		
Derivative financial assets	7.5	7.8
Derivative financial liabilities	7.5	3.4
Level 3		
Unlisted equity investment	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 counter-parties 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 Balance Sheet.

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 (1) hedges of the fair value of recognised assets or liabilities (fair value hedges); or (2) 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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

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

	2020 US\$m	2019 US\$m
Contracted but not provided for in the financial statements:		
Plant and equipment	36.5	7.9
Payable within one year	36.5	7.9

19. Particulars Relating to Subsidiaries

	Country of Incorporation	Beneficial Interest	
		2020 %	2019 %
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 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
Ansell USA LLC	USA*	100	100
Ansell (USA) Inc.	USA*	100	100

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

19. Particulars Relating to Subsidiaries continued

	Country of Incorporation	Beneficial Interest	
		2020 %	2019 %
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	UK*	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
Ringers Technologies UK Holdings Ltd.	U.K.*	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
Nitritex Limited	UK*	100	100
Nitritex (M) Sdn. Bhd.	Malaysia*	100	100

	Country of Incorporation	Beneficial Interest	
		2020 %	2019 %
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
Pacific Dunlop (Netherlands) B.V.	Netherlands*	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:

- Ansell Shah Alam Sdn. Bhd.
- Ansell Canadian Holdings Limited
- Nitritex Canada Ltd.

20. Acquisitions and Discontinued Operations

(a) Acquisitions

Ringers Gloves (Effective 1 February 2019)

Provisional goodwill in respect of the Ringers Gloves acquisition as reported at 30 June 2019 has increased by \$1.1m during the year due to purchase price adjustments to asset values of \$2.1m offset by \$1.0m being the proceeds from the final working capital adjustment calculated as per the Sale and Purchase Agreement.

Digitcare (Effective 31 October 2018)

The acquisition accounting for Digitcare was completed with no change to the previously reported goodwill. Final completion payments of \$0.6m were made during the year.

Recognition and Measurement

Business Combinations

The Group accounts for business combinations using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at fair value. Any excess of the cost of acquisition over the fair values of the net identifiable assets acquired is recognised as goodwill. Transaction costs are expensed as incurred unless related to the issue of debt or equity securities.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

20. Acquisitions and Discontinued Operations continued

(b) Discontinued Operations

Sale of J.K. Ansell Limited

On 4 September 2017, the Company announced that it had executed an agreement with Raymond Limited, its joint venture partner in J.K. Ansell Limited in India where Raymond Limited will take full ownership of the J.K. Ansell sexual wellness business. The transaction was completed on 1 July 2018.

	2020 US\$m	2019 US\$m
Results from discontinued operations		
Cash flows from discontinued operations		
Net cash used in investing activities	–	(4.7)
Net cash flows from discontinued operations	–	(4.7)
Details of the sale of the discontinued operations		
Net sale proceeds	–	2.4
Carrying amount of net assets sold	–	(5.4)
Loss on sale before income tax, non-controlling interests of entities disposed and realisation of foreign currency translation reserve	–	(3.0)
Non-controlling interests of entities disposed and realisation of foreign currency translation reserve	–	3.0
Gain on sale after income tax	–	–

Assets and liabilities of discontinued operations

The carrying amounts of assets and liabilities disposed of as at the date of the disposal were as follows:

	2020 US\$m	2019 US\$m
Cash and cash equivalents	–	7.0
Trade and other receivables	–	1.7
Inventories	–	2.2
Property, plant and equipment	–	1.4
Total assets	–	12.3
Trade and other payables	–	6.0
Provisions	–	0.9
Total liabilities	–	6.9
Net assets disposed	–	5.4

Recognition and Measurement

Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an operation is classified as a discontinued operation, prior year comparatives in the Income Statement are restated as if the operation had been discontinued from the start of the comparative year.

21. Parent Entity Disclosures

As at the end of and throughout the financial year ending 30 June 2020, the parent company of the Group was Ansell Limited.

	2020 US\$m	2019 US\$m
Result of the parent entity		
Profit for the period	25.5	58.7
Other comprehensive income	(2.6)	(3.2)
Total comprehensive income for the period, net of income tax	22.9	55.5

Financial Position of the Parent Entity at Year End

	2020 US\$m	2019 US\$m
Current assets	1,013.3	1,035.0
Total assets	2,424.2	2,451.6
Current liabilities	1,346.9	1,236.4
Total liabilities	1,351.3	1,239.9
Total equity of the parent entity comprising:		
Issued capital	806.0	873.9
Reserves	(372.7)	(337.6)
Retained profits	639.6	675.4
Total equity	1,072.9	1,211.7

The Group has a net current asset position of \$552.6m (2019: \$646.3m), which the parent company controls. As at 30 June 2020, the parent company has a net current liability position of \$333.6m (2019: \$201.4m). 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.

22. 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

	2020 US\$	2019 US\$
Short-term benefits	7,730,131	6,753,902
Retirement benefits	709,428	572,024
Termination benefits	–	991,572
Long term equity-based incentives	3,151,679	3,395,721
	11,591,238	11,713,219

(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.

Notes to the Financial Statements continued

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

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 2020 financial year are as follows:

Instrument	Grant Date	Vesting Date	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
PSRs	8/8/2017	30/6/2020	A\$20.41	A\$22.01	N/A	2.60%
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%

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

	2020 US\$	2019 US\$
Audit and review of the financial reports:		
Auditors of Ansell Limited and Australian entities – KPMG	1,236,425	1,388,259
Other member firms of KPMG ⁽ⁱ⁾	766,619	779,854
	2,003,044	2,168,113
Other services ⁽ⁱⁱ⁾ :		
Advisory services		
Auditors of Ansell Limited and Australian entities – KPMG	42,828	53,633
Other member firms of KPMG	71,176	47,490
Other audit and assurance services		
Auditors of Ansell Limited and Australian entities – KPMG	18,767	–
Other member firms of KPMG	11,101	8,134
Total other services	143,872	109,257
Total auditors' remuneration	2,146,916	2,277,370

(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.

Directors' Declaration

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

1. In the opinion of the Directors of Ansell Limited ('the Company'):
 - (a) the consolidated financial statements and notes, set out on pages 69 to 114 and the Remuneration Report contained in the Report by the Directors, set out on pages 43 to 68, 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 2020 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;
 - (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 2020.

Signed in accordance with a resolution of the directors:



J A Bevan
Director



M R Nicolin
Director

Dated in Melbourne this 25th day of August 2020.

Independent Audit Report

to the members of Ansell Limited



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 2020 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 Balance Sheet as at 30 June 2020
- 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 for 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.



Valuation of goodwill and brand names (USD \$1,022.1m)

Refer to Note 11 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Valuation of goodwill and brand names is a key audit matter due to:</p> <ul style="list-style-type: none"> • The size of the balance being 42% 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. <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We assessed the accuracy of prior period cash flow forecasts by 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: <ul style="list-style-type: none"> • 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.

Independent Audit Report continued

to the members of Ansell Limited



Taxation (Income Tax Expense USD\$42.2m, Deferred Tax Assets USD\$68.5m, Deferred Tax Liabilities USD\$76.6m, Current Tax Liabilities USD\$12.3m)

Refer to Note 4 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Taxation is a key audit matter due to:</p> <ul style="list-style-type: none"> • 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. <p>We involved our tax specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Working with our tax specialists, our procedures included:</p> <ul style="list-style-type: none"> • We identified key tax areas across jurisdictions impacting the Group by: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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.



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 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.

Independent Audit Report continued

to the members of Ansell Limited



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Ansell Limited for the year ended 30 June 2020, 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 45 to 68 of the Directors' report for the year ended 30 June 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Penny Stragalinos

Partner

Melbourne

25 August 2020

Five-Year Summary

of Ansell Limited and Subsidiaries for the year ended 30 June 2020

	2016 US\$m	2017 ¹ US\$m	2018 ¹ US\$m	2019 US\$m	2020 US\$m
Income Statement					
Sales	1,573	1,600	1,548	1,499	1,614
EBIT	237	218	557	157	220
Net financing costs	22	23	13	14	17
Income tax expense	53	45	58	30	43
Non-controlling interests	3	2	2	1	1
Profit attributable to Ansell Limited shareholders	159	148	484	112	159
Balance Sheet					
Cash – excluding restricted deposits	270	314	580	395	406
Other current assets	577	546	561	564	554
Property, plant and equipment	245	218	230	230	252
Right-of-use assets	–	–	–	–	56
Intangible assets	1,077	1,050	1,028	1,083	1,066
Other non-current assets	122	122	112	105	115
Assets held-for-sale	–	201	12	–	–
Total assets	2,291	2,451	2,523	2,377	2,449
Current payables	241	230	226	226	262
Current interest bearing liabilities	5	4	–	20	50
Current lease liabilities	–	–	–	–	18
Other current liabilities	69	86	68	67	79
Non-current interest bearing liabilities	687	717	552	525	470
Non-current lease liabilities	–	–	–	–	39
Other non-current liabilities	152	142	121	129	128
Liabilities held for sale	–	43	6	–	–
Total liabilities	1,154	1,222	973	967	1,046
Net assets	1,137	1,229	1,550	1,410	1,403
Issued capital	1,147	1,142	1,052	874	806
Reserves	(88)	(78)	(82)	(86)	(120)
Retained profits	62	147	564	610	705
Ansell Limited shareholders' equity	1,121	1,211	1,534	1,398	1,391
Non-controlling interests	16	18	16	12	12
Total shareholders' equity	1,137	1,229	1,550	1,410	1,403
Total funds employed	1,559	1,636	1,522	1,560	1,575
Share information					
Basic Earnings Per Share (cents)	105.1	100.1	336.8	82.6	121.8
Diluted Earnings Per Share (cents)	104.5	98.9	331.9	81.2	120.0
Dividends per share (US cents)	43.5	44.0	45.5	46.75	50.0
Net assets per share (\$)	7.7	8.3	10.9	10.7	10.9
General					
Net cash from operating activities	232	216	154	189	291
Capital expenditure	67	51	46	44	65
Shareholders (no.)	39,884	36,798	34,307	33,311	33,903
Employees (no.)	15,890	15,483	12,482	12,304	13,513
Ratios					
EBIT margin (%)	15.0	13.6	36.0	10.5	13.6
Return on average shareholders' equity (%)	14.1	12.7	35.0	7.6	11.4
EBIT return on funds employed (%) – ROCE	14.9	13.6	35.3	10.2	14.0
Average days working capital	85.6	83.2	82.1	84.3	78.7
Interest cover (times)	10.7	9.6	44.6	11.6	12.6
Net debt to shareholders' equity (%) – gearing	37.1	33.1	(1.8)	10.6	12.2
Number of shares at 30 June (million)	148	147	142	132	129

1. Includes continuing and discontinued operations.

Shareholders

Details of quoted shares held in Ansell Limited as at 31 July 2020.

Distribution of Ordinary Shareholders and Shareholdings

Size of Holding	Number of Shareholders	Number of Shares	Percentage of Total
1 – 1,000*	27,716	9,285,365	7.23
1,001 – 5,000	5,893	11,319,115	8.81
5,001 – 10,000	435	2,998,411	2.33
10,001 – 100,000	174	4,065,215	3.16
100,001 and over	31	100,859,237	78.47
Total	34,249	128,527,343	100.00

* Including 600 shareholders holding a parcel of shares of less than A\$500 in value (1,823 shares), based on market price of \$38.45 per unit.

Percentage of the total holdings of the 20 largest shareholders = 77.29%.

In addition to the foregoing, as at 30 June 2020, there were 18 members of the Executive Share Plan, holding a total of 44,700 plan shares. Thirteen members have shares paid to 5 cents each, and five members have shares paid to \$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;
- (b) on a poll, one vote for every fully paid ordinary share held.

Twenty Largest Shareholders (as at 31 July 2020)

Rank	Registered Holder	Number of Fully Paid Shares	Percentage of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	44,026,364	34.25
2	J P Morgan Nominees Australia Pty Limited	24,865,868	19.35
3	Citicorp Nominees Pty Limited	14,915,214	11.60
4	National Nominees Limited	5,569,511	4.33
5	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	1,967,225	1.53
6	HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	1,551,036	1.21
7	BNP Paribas Noms Pty Ltd <DRP>	1,333,941	1.04
8	Australian Foundation Investment Company Limited	1,078,865	0.84
9	National Nominees Limited <DB A/C>	631,739	0.49
10	Netwealth Investments Limited <Wrap Services A/C>	505,005	0.39
11	Australian Executor Trustees Limited <No 1 Account>	353,090	0.27
12	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	339,147	0.26
13	Argo Investments Limited	336,972	0.26
14	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	303,180	0.24
15	AMP Life Limited	300,031	0.23
16	Australian Executor Trustees Limited <IPS Super A/C>	299,229	0.23
17	HSBC Custody Nominees (Australia) Limited - A/C 2	296,274	0.23
18	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	240,062	0.19
19	The Manly Hotels Pty Limited	222,854	0.17
20	HSBC Custody Nominees (Australia) Limited-GSCO ECA	197,602	0.15
Top 20 Holders of Ordinary Fully Paid Shares		99,333,209	77.29
Total Remaining Holders Balance		29,194,134	22.71

Register of Substantial Shareholders (as at 31 July 2020)

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
18-Mar-20	Vanguard Group	7,740,284	6.0%
21-May-20	Blackrock Group	9,755,315	7.6%

Shareholder Information

Annual Report

Ansell's Annual Report 2020 provides shareholders with a summary of the Group's operations and contains the full financial statements for FY20. The Annual Report 2020 provides a summary of the Group's financial performance, financial position, and financing and investing activities.

There is currently an on-market buy-back.

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 US28.25 cents per share will be paid on 17 September 2020 to shareholders registered on 1 September 2020.

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

Ms Catherine Stribley
Ansell Limited
Level 3, 678 Victoria Street
Richmond VIC 3121
Telephone: +61 3 9270 7125
Facsimile: +61 3 9270 7300
Email: catherine.stribley@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 Secretary: Catherine Stribley
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

2021 Financial Calendar*

Half year results announcement	16 February 2021
Ex-dividend share trading commences	22 February 2021
Record date for interim dividend	23 February 2021
Interim dividend paid	10 March 2021
Annual results announcement	24 August 2021
Ex-dividend share trading commences	30 August 2021
Record date for final dividend	31 August 2021
Final dividend paid	16 September 2021
Annual General Meeting	11 November 2021

* 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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[ansell.com](https://www.ansell.com)

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