Ansell

23 August 2022

Manager Companies
Company Announcements Officer
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

ANSELL LIMITED (ANN)
Appendix 4E & Annual Report for the year ended 30 June 2022

Please find attached for release to the market Ansell Limited's Appendix 4E and Annual Report for the period ended 30 June 2022.

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

Yours sincerely

Catherine Stribley
Company Secretary
Ansell Limited

APPENDIX 4E

FOR THE YEAR ENDED 30 JUNE 2022
ANSELL LIMITED AND SUBSIDIARIES

ACN 004 085 330

Results for Announcement to the Market			US$m
Revenue from ordinary activities	down	(3.7%)	1,952.1
Operating profit after tax attributable to members	down	(35.7%)	158.7
Net profit for the period attributable to members	down	(35.7%)	158.7

Dividends (distributions)	Amount per share US cents	Franked amount per share US cents
Dividend	31.20	Nil

Record date for determining entitlements to the dividend	30 August 2022
Dividend Reinvestment Plan election cut off date	31 August 2022
Dividend payment date	15 September 2022

For non-resident shareholders, the dividend will not attract withholding tax as it is sourced entirely from the Company's Conduit Foreign Income Account.

Net Tangible Asset backing	2022 US$m	2021 US$m
Shareholders' Equity attributable to Ansell Limited shareholders	**1,542.9**	1,551.2
Less Intangible Assets	**1,049.4**	1,077.1
Net Tangible Assets	**493.5**	474.1

	2022	2021
Net tangible asset backing per ordinary share	**$3.88**	$3.70

Associates and Joint Ventures

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

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

Ansell

ANNUAL REPORT

2022

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AGM

Ansell's Annual General Meeting (AGM) will be held on 10 November 2022.

To access more information, visit https://www.ansell.com/us/en/about-us/investor-center/agm

Corporate Reporting Suite

This Report is part of our broader corporate reporting suite and the following documents are available at www.ansell.com:

Results Presentation: Ansell's strategy, financial results and operational performance for the reporting period.

Corporate Governance Statement: Ansell's application of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

Sustainability Report: Features information about Ansell's Environmental, Social and Governance (ESG) goals and performance (to be released in September 2022).

Modern Slavery Statement: Ansell's statement on our actions to assess and address modern slavery risks in our business and supply chains (to be released November 2022).

ABOUT THIS REPORT

Report Structure

This Report is designed to be read in its entirety. The required elements of the Directors' Report, including the Operating and Financial Review (OFR) as required by ASIC Regulatory Guide 247, are covered on pages 16 to 74. Commentary on Ansell's financial performance specifically is contained on pages 18 to 25 and references information reported in the Financial Statements (pages 75 to 122). The Financial Statements includes Ansell Limited (the Company or Parent Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2022. Throughout the report, the consolidated entity is referred to as Ansell or the Group. The Directors' Declaration forms part of the Annual Report under the *Corporations Act 2001*.

Non-IFRS Measures

Ansell's financial results are reported under International Financial Reporting Standards (IFRS). This release includes certain non-IFRS measures such as Constant Currency, GPADE, EBIT, EBITDA, Operating Cash Flow and Adjusted financial measures, which have been defined on page 18. These measures are presented to enable understanding of the performance of the Company without the impact of non-trading items and foreign currency. Non-IFRS measures have not been subject to audit or review.

Assurance and Verification

The Remuneration Report (pages 49 to 74) and the Financial Statements (pages 75 to 122) have been audited by KPMG. Full details of the assurance scope, process and outcome are included in the Independent Audit Report on pages 124 to 128.

All unaudited information contained in this report has been subject to an internal review and approval process defined by our Corporate Reporting framework as explained in our Corporate Governance Statement FY22.

Forward-looking Statements

Any forward-looking statements are based on Ansell's current expectations, best estimates and assumptions as at the date of preparation, many of which are beyond Ansell's control. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks, which may cause actual results to differ materially from those expressed in the report.

Acknowledgement of Country – Australia

Ansell acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures; and to Elders both past and present.

Ansell

ABOUT ANSELL

Ansell is a diversified global leader in hand and body protection solutions and an integrated manufacturer, innovator and marketer of products on which millions of workers and healthcare professionals rely.

For over 125 years, Ansell has delivered advanced protection solutions to people at work and at home, keeping them out of harm's way. Our expertise, innovative products, and advanced technology give our customers peace of mind and confidence no other brand can deliver.

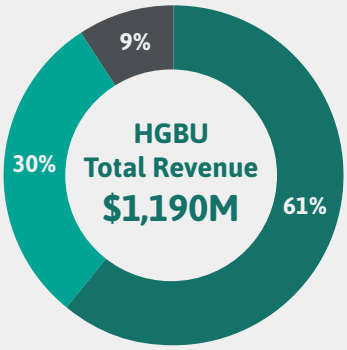
We operate across two business segments:

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 life science & pharmaceutical companies.

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

MICROFLEX® TouchNTuff® EDGE®
MICROTOUCH® SANDEL® GAMMEX®
ENCORE® MEDI-GRIP® BioClean® Primus®



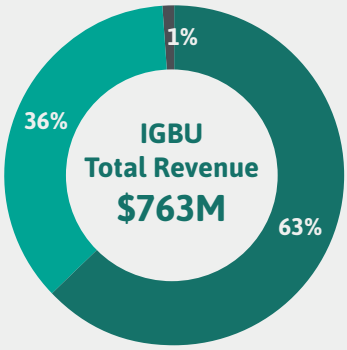
- Exam/Single Use
- Surgical
- Life Sciences

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 industries including automotive, chemical, metal fabrication, machinery and equipment, food, construction, mining, oil & gas, utilities, logistics and first responders.

HyFlex® AlphaTec® ACTIVARMR®
RINGERS GLOVES EDGE® inteliforz®



- Mechanical
- Chemical
- Others*

* Others predominately consists of revenue from Hércules in relation to turn-out gear for Military & First Responders, molten metal protection garments, and fall protection equipment and gloves.

NO. 1 OR 2
POSITION IN KEY SEGMENTS GLOBALLY

~9 BILLION
GLOVES SOLD PER YEAR

PROTECTS MORE THAN
10 MILLION
WORKERS EACH DAY

PROVIDES PROTECTION SOLUTIONS TO MORE THAN
25+ INDUSTRIES

THE AVERAGE MEDICAL PROFESSIONAL PERSONALLY WEARS
~1,200 PAIRS
OF ANSELL GLOVES PER YEAR

OUR OPERATIONS

Ansell is a global company employing more than 14,000 people in over 55 countries. Ansell Limited is legally domiciled in Melbourne, Australia and is listed on the Australian Securities Exchange (ASX: ANN). Ansell has four corporate headquarters: Melbourne, Australia; Brussels, Belgium; New Jersey, United States; and Cyberjaya, Malaysia.

We operate 14 manufacturing facilities with the largest located in Malaysia, Sri Lanka and Thailand and smaller plants located in Brazil, China, Lithuania, Portugal and Vietnam. On 7 October 2021, we announced an $80m investment over the next three years in a new greenfield manufacturing site in Tamil Nadu, India.

In August 2022, we announced our decision to cease our Russian commercial and manufacturing operations.

Our factories produce an extensive range of products including mechanical gloves, chemical gloves, chemical protective clothing, single use gloves, surgical gloves and life sciences gloves.

We also work with third parties for the supply of selected finished goods, predominately exam and single use gloves.

24	14	18	14,000+	CUSTOMERS IN 100+
WAREHOUSES	MANUFACTURING FACILITIES	R&D CENTRES	EMPLOYEES	COUNTRIES

Lithuania
Brussels
Portugal
China
Thailand
India
Cyberjaya
Vietnam
Melbourne
Sri Lanka
Malaysia

ANSELL PROTECTS – A SELECTION OF CUSTOMER STORIES

A Successful Latex-Free Surgical Glove Conversion

Natural rubber latex allergies continue to pose a risk in hospitals, especially to people unaware of their latex allergies. Despite the clinical evidence supporting the benefits of a latex-free environment, some hospitals have opted to provide non-latex surgical gloves only to staff or patients with a known latex allergy rather than switching gloves across the entire hospital.

A leading teaching hospital in the US using a mix of latex and synthetic surgical gloves partnered with Ansell to assess their facilities' needs and provide a solution that satisfied the Healthcare worker requirements for sensitivity, comfort, and fit. Despite their intent to convert to a latex-free environment, they were hesitant to change due to potential workflow disruptions.

With Ansell's Four-Phase Evaluation and Implementation Process, our teams confidently, and with minimal impact on the customer's daily operations, executed a system-wide trial at eight facilities with a 95% success rate. As a result, this teaching hospital is now 100% latex-free with our GAMMEX® range of synthetic surgical gloves.

Protecting First Responders with MICROFLEX® Lifestar EC™

One of the largest cities in the United States has been experiencing significant increases in crime, homelessness, and drug overdoses. Deaths caused by fentanyl, a synthetic opioid 50-100 times more powerful than morphine, have reached all-time highs. First responders resorted to using low-quality PPE during COVID-19 driven supply shortages but needed a higher level of hand protection.

Ansell has a deep understanding of the hazards law enforcement officers, emergency medical technicians (EMTs), and firefighters face every day. We upgraded first responders to MICROFLEX® Lifestar EC™, our best-selling high-risk style, designed for Emergency Medical Services (EMS) and certified by the National Fire Protection Association (NFPA). It is a superior-quality glove featuring extended cuffs and a differentiated 2-colour design for chemical breach detection. It uniquely combines dexterity with reliable protection from chemicals, bloodborne pathogens, and opioids, including fentanyl.

MICROFLEX® Lifestar EC™ perfectly met the needs of the first responders. They were so satisfied with the glove's exceptional quality and performance that word spread to other municipalities. As a result, Ansell now holds 85% market share of the EMS vertical across the entire State.

Leading the Way in Protecting Workers in Electric Vehicle Manufacturing

Global sales of electric vehicles (EVs) are rising rapidly thanks in part to an increased interest in the reduction of fossil fuel use by environmentally-conscious consumers. In using energy storage systems such as lithium-ion batteries, these vehicles present a set of safety risks that necessitate the use of specific types of PPE.

An industry-leading EV manufacturer faced the challenge of doing fine detail work on their battery products (over 50V units). The PPE they were using offered little dexterity or comfort, so team members faced challenges in performing the necessary tasks.

By further understanding the manufacturers needs, the Ansell team continued the partnership by innovating the next generation of lighter-weight electrical protection for better fit, comfort, and performance. These ActivArmr® electrical protection gloves fit the manufacturer's needs and are now helping to protect their workers. Ansell has partnered with this manufacturer to also supply a wide range of solutions across the portfolio, protecting against a diverse set of workplace hazards, including cut, abrasion, and chemical risks, and helping to protect workers in Facilities, Maintenance, and Battery Assembly applications so that they can perform their jobs safely in this fast-growing sector of Automotive production.

Solving Complex, Multi-hazard Safety Issues With Battery Production

Innovation in battery technology is evolving and delivering rapid capacity expansion to serve the increasing demand for electric vehicles (EVs). This has created new, unique and complex safety challenges, with workers requiring protection from multiple hazards.

A leading European EV battery innovator and manufacturer specialised in lithium-ion technology required a thorough revision of their safety needs to ensure worker protection against chemical, thermal and electrical shock hazards.

Leveraging AnsellGUARDIAN™ risk assessment-based PPE selection methodology and supported by our Chemical Technical Expert Team on an ongoing basis, this EV battery technology leader has selected AlphaTec®, MICROFLEX® and ActivArmr® PPE product solutions to ensure worker safety and protection.

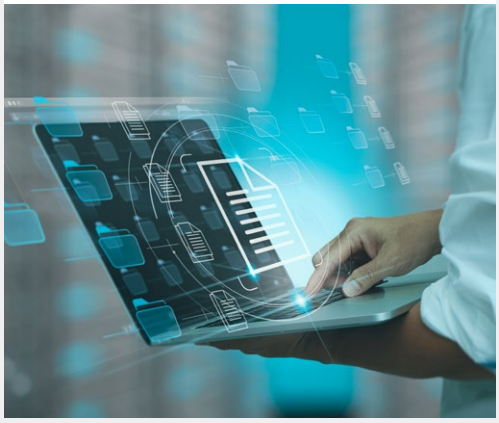
FY22 YEAR IN REVIEW

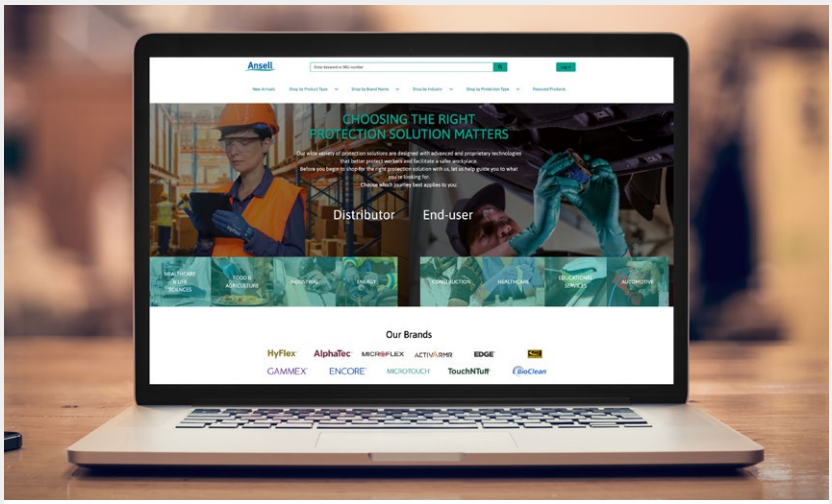
India Greenfield Manufacturing Site

Commencement of an $80m investment over the next three years for a new manufacturing site in Tamil Nadu, southern India. The facility will be designed and built in line with Indian Green Building Council criteria and have the capability to produce a wide range of products, with an initial focus on surgical and life science gloves for the Indian domestic market and for export.

Commercial Digital Transformation

Significant progress made through automation of internal processes, expanded digitisation of customer interaction, channel expansion, and investment in growth-accelerating initiatives (e.g. 'inside sales').





Ansell Online Webstore

Launch of an online webstore in the US to target smaller distributors, SMEs (Small and Medium-sized Enterprises) and consumers within underserved segments whilst also digitising the purchase experience of existing distributors to remove back office pressure and increasing basket size.

Launch of More Sustainable Products

HyFlex® 11-842 multi purpose glove with liners made from 90% recycled nylon yarn and sustainable plastic free packaging.

Microflex® 31-103 compostable single use glove made in Europe from PLA blend, a bio-based polymer formulated with natural and renewable materials.

EcoVadis Silver Medal, a Stamp of Excellence in Sustainability

Ansell was awarded a silver medal by EcoVadis based on reporting data for FY21, placing it in top 25% of all companies assessed and the top 6% of manufacturers within our applicable industry[1].

Focus on Diversity, Equity and Inclusion

Commitment to make diversity, equality and inclusion (DE+I) a long-term priority broadening from gender to a more comprehensive focus on diversity and creating a more inclusive culture. Implemented regional network approach with employee-led DE+I groups.

New Targets to Accelerate Climate Action

Ansell has committed to science-based reduction targets for Scope 1 and Scope 2 emissions that would see the Company achieve Net Zero by 2040 for its own operations. This is supported by a mid-term target of a 42% reduction by 2030, from a FY20 baseline. Ansell will focus on long-term decarbonisation efforts within its own operations, prior to exploring investment in credible and high-quality offsets to address any limited residual emissions (less than 10%).

Modern Enterprise Resource Planning (ERP)

Successfully migrated four sizeable legal entities into standardised ERP platforms, allowing Ansell to retire legacy technology and drive common, optimal ways of working from across functions.

Integrated Business Planning (IBP)

Redesigned sales and operations planning process with a strong focus on improving customer service levels. This innovative approach is supported by an overhaul of data architecture and planning systems and with the objective to move Ansell to a leading position in supply chain capability.

Inteliforz™ Launched – A New Standard for Connected Safety Solutions

Inteliforz™, our newest brand, is focused on connected workplace safety solutions that empower front-line associates and safety leaders to "See Beyond the Obvious™" to prevent injuries before they happen. Commercially, Inteliforz™ was successfully deployed at a large multi-national corporation with trials underway at a number of other companies. Significant brand and thought leadership progress has been achieved, including securing a sponsorship role and advisory council seat with the National Safety Council MSD Pledge, aimed at reducing occupational musculoskeletal disorders (MSD) injuries by 25% by 2025.

1. EcoVadis classified Ansell in "other manufacturing n.e.c. (no where else classified)" industry.

CHAIRMAN'S REVIEW

With the crisis phase of the pandemic behind us we are confident that its long-term impact will be to enhance safety awareness and highlight the vital role of high-quality PPE.

John Bevan – Chairman

Dear Fellow Shareholders,

Under Neil Salmon's managerial leadership, Ansell has consolidated its leading industry position. Some of the pandemic uncertainties, especially in logistics and labour supply, are still with the company but I am constantly impressed with how well they are being managed.

Looking back more than 2 years of the global COVID-19 pandemic, you can see that Ansell's earnings have grown substantially across all of our business units.

The strength of the fundamentals is plain to see. Over the course of the pandemic we increased the level of our internally manufactured supply, we completed new lines in Thailand, we committed to new manufacturing investments in India, Sri Lanka and Malaysia and we have taken significant steps towards leadership in social and environmental performance.

With the crisis phase of the pandemic behind us we are confident that its long-term impact will be to enhance safety awareness and highlight the vital role of high-quality PPE. We expect this in turn will contribute to mitigating the many hazards that still impinge on the fundamental rights of workers to a safe working environment. Not only is Ansell pioneering new approaches to address risks of viral infections but we are also addressing other poorly understood injury risks including ergonomics impacts and chemical hazard exposure.

Stronger safety awareness and the higher profile of PPE will of course attract new suppliers. But Ansell's strategy is to differentiate its output with higher quality, higher utility production where the barriers to entry are also high, particularly in our Surgical and Life Sciences businesses. These products are derived from our R&D in innovative materials and products, and our close engagement with the evolving needs of our customers.

The PPE sector experienced the unprecedented demand shocks of the pandemic, as well as the supply shocks shared with many other sectors. For Ansell, the challenge was to deliver as much healthcare product to people in dire need as quickly as possible, and then to absorb the secondary impacts as inventory adjusted, and prices and costs displayed ongoing volatility. The business identified genuine growth opportunities among the confusing signals of highly disrupted markets.

Labour standards became prominent during the year as US Customs and Border Protection took a strong interest in modern slavery issues that have been associated with the glove industry, particularly in South East Asia. This is a whole of industry issue and on balance heightened scrutiny is a welcome development because all industry participants are now subjected to tougher levels of scrutiny and improved minimum standards.

External scrutiny aside, our task is to develop and impose strong standards with the appropriate buy-in from the business. To that end, we continue to grow our in-house supply so we can ensure control of working conditions and labour standards. In addition, we are working closely with best practice suppliers. We have joined the Responsible Glove Alliance (RGA) as a founding

Ansell committed to science-based reduction targets for Scope 1 and Scope 2 emissions that would see the Company achieve Net Zero by 2040 for its own operations.

member for an initial 3-year period. The RGA is an industry-wide initiative to combat forced labour in the Malaysia glove industry. Its objective, which the Board and management at Ansell strongly support, is to achieve transformational change in labour standards within the industry.

In July 2022, we announced that Ansell has committed to science-based reduction targets for Scope 1 and Scope 2 emissions that would see the Company achieve Net Zero by 2040 for its own operations, supported by a mid-term target of a 42% reduction in Scope 1 and Scope 2 emissions by 2030 (from a FY20 baseline). This is in-line with the ambition of the Paris Agreement to limit global warming to 1.5°C. We have a broader ambition to reduce end-to-end value chain emissions (Scope 3) but further engagement with our supply chain is needed before we can define what this commitment looks like. We also announced new water stewardship commitments to reduce absolute water withdrawals by 35% by the end of FY25 (from a FY20 baseline).

After the two-year hiatus, the Board has begun to travel again, with the recent opportunity to visit Ansell plants in Thailand and Malaysia. It is visits like this that highlight to the Board the resilience and passion of the Ansell team. I would like to acknowledge the continued hard work shown by our people and reiterate the confidence the Board has that we will deliver against our strategic plan.

John Bevan
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Though we have a very impressive record compared to companies in our sector, we are committed to improving our safety performance further in FY23.

Neil Salmon – Managing Director and Chief Executive Officer

Safety – Our Number 1 Priority

At Ansell, our mission can be summed up as Ansell Protects – and that starts with ensuring the safety of all who work at Ansell.

Our safety strategy is built on:

- 5 points Safety Charter, which defines the responsibilities and accountabilities of all Ansell employees towards safety; and
- a framework of global standards covering High Risk Tasks and core operating procedures dealing with general safety requirements.

The safety strategy comprises three core elements:

1. **Transparency** in identifying, reporting, eliminating or controlling, and communicating.

   Outcome tracked by leading indicators – near misses, unsafe acts, unsafe conditions – reported per 100 employees.

2. **Accountability** where ownership of safety outcomes is cascaded throughout the Company.

   Measured through the level of compliance achieved by the sites to our global high-risk standards and Core Operating Procedures.

3. **Learning and engagement** focusing on underlying competencies to engage staff on safely completing high risk tasks.

   Learning and engagement, measured by participation in specific high risk task focused learning events.

The impact of our safety commitment was demonstrated this year, with Ansell recording its lowest total recordable injury frequency rate (LTI + MTI per 100 employees) in 10 years of 0.161. We also recorded a 15% improvement in our LTI rate to 0.051. Gratifyingly, our teams around the world contributed a staggering 10,511 improvement ideas to mitigate near misses, unsafe conditions and unsafe acts, setting a new trend and exceeding last year almost by 50%.

Though we have a very impressive record compared to companies in our sector, we are committed to improving our safety performance further in FY23.

During the year COVID-19 posed a continuing challenge with heightened transmissibility of the Omicron wave. We continued with screening, wearing masks, sanitation measures and maintaining social distancing across our sites. We also made vaccines accessible to all Ansell manufacturing employees worldwide as a priority.

Performance in FY22 – Overview

	FY21	FY22	FY22 vs FY21	FY22 H1	FY22 H2	FY22 H2 vs FY22 H1
Sales	**$2,026.9m**	**$1,952.1m**	**(3.7%)**	**$1,009.2m**	**$942.9m**	**(6.6%)**
GPADE[1]	$723.6m	**$564.2m**	(22.0%)	$275.5m	$288.7m	4.8%
Margin	35.7%	**28.9%**	(680bps)	27.3%	30.6%	330bps
Adjusted EBIT[1]	**$338.0m**	**$245.1m**	**(27.5%)**	**$111.0m**	**$134.1m**	**20.8%**
Margin	16.7%	**12.6%**	(410bps)	11.0%	14.2%	320bps
Adjusted EPS[1]	**192.2¢**	**138.6¢**	**(27.9%)**	**60.6¢**	**78.0¢**	**28.7%**
Statutory EPS	**192.2¢**	**125.2¢**	**(34.9%)**	**60.6¢**	**64.6¢**	**6.6%**
DPS	**76.80¢**	**55.45¢**	**(27.8%)**	**24.25¢**	**31.20¢**	**28.7%**
Cash Conversion[2]	**60.9%**	**90.0%**	**29.2%**	**59.7%**	**137.0%**	**129.4%**

1. These non-IFRS measures have been defined on page 18.
2. 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. EBITDA – defined as Earnings Before Interest, Tax, Depreciation and Amortisation. Excludes share of profit/(loss) from Careplus joint venture.

The external environment was challenging for Ansell over FY22. The forces that created phenomenal demand for many of our products at the onset of the pandemic were always going to moderate as markets responded and our customers adjusted. As we started FY22 we expected pricing and demand to decline for pandemic related products. However, demand declined more sharply than we anticipated. In addition, COVID-19 impacts on our supply chains and intermittent labour shortages continued to wash through our own operations and those of our suppliers, impacting product supply and logistics as uncertain conditions continued through most of the year.

Accordingly, we updated shareholders in January detailing these circumstances, revising our earnings estimates downwards and adjusting our forecasts. As the second half proceeded business performance stayed in-line with our revised forecasts and on some important measures appreciably improved. Most importantly we saw underlying EBIT margins increase 320bps between first half to second half and cash conversion improve from 59.7% in the first half to achieve 90.0% overall for FY22.

Performance in 2022 – Business Highlights

Operations

COVID-19 Impacts

- Intermittent shutdowns were experienced at our manufacturing facilities in South East Asia during the early months of FY22 and then again in January.
- Labour shortages especially impacted packaging operations, particularly in Malaysia.
- Widespread delays to shipping lead times and significant freight inflation continued into the second half as global shipping continued to experience pandemic impacts.

Geopolitical Developments

- Significant geopolitical challenges emerged with Russia's invasion of Ukraine. We started a review of our operations in Russia as war broke out and ceased taking new orders. This led to reduced sales in the second half. We have now concluded that Ansell's operations in Russia are no longer viable and we have begun a formal exit process. Our operations in Russia contributed ~2% to Ansell's sales in FY21.
- Our manufacturing operations have continued to operate amidst the economic crisis in Sri Lanka, with limited disruption so far thanks to the outstanding efforts of our local leadership team. Our focus is on the safety and well-being of our workforce in Sri Lanka and we have provided monetary and non-monetary support to our workers and their families as they deal with extreme challenges to daily life. We expect to continue this through the coming year.

Sales Performance

- Healthcare GBU organic growth declined 2.4%. Surgical and Life Sciences continued to deliver strong results, but this was more than offset by Exam/Single Use which saw lower pricing and volumes compared with the prior year which benefited from COVID-19 related demand. The decline in demand for Exam/Single Use early in FY22 was very quick and quite pronounced. Inventory levels built up rapidly ahead of us in the supply chain with new market supply coming on at the same time as demand in the healthcare system started to normalise. Accordingly, our ability to sell through higher priced externally sourced inventory took much longer than expected and in the newly declining price environment our margins weakened.
- Industrial GBU organic growth declined 1.9%. Positive performance from Mechanical was more than offset by lower sales from Chemical Protective Clothing in comparison to the prior year that benefited from COVID-19 related demand.
- If we strip out COVID-19 demand impacts, the SBUs which did not benefit from COVID-19, i.e. Mechanical, Surgical, and Life Sciences, continued to deliver strong growth. Within Exam/Single Use and Chemical we continued to see good growth in our more differentiated inhouse Single Use styles and in our higher end chemical protective gloves and suits.
- FY22 emerging market performance was strong, driven by Latin American and India. Organic sales grew by 6.8%, boosting the emerging markets proportion of total sales from 20.8% to 23.1%.

Areas of Significant Progress

Investment Projects

- Progress was made towards completion of our two large investment projects: the Single Use expansion in Thailand and the greenfield site in India, primarily focused on Surgical products.
- The additional lines added in Thailand supported growth in our in-house manufactured TouchNTuff® Single Use technology where demand remained strong, in contrast to trends seen for less differentiated Exam/Single Use products.
- We have completed the first phase of our India greenfield investment and commenced packaging of Surgical gloves in July 2022. We recently received regulatory approval to commence the construction of the second phase of building manufacturing lines, which is expected to be completed in FY24.

Net Zero and Environmental Leadership

- In July 2022, we announced that Ansell has committed to science-based reduction targets for Scope 1 and Scope 2 carbon emissions that would see the Company achieve Net Zero by 2040 for its own operations, supported by a mid-term target of a 42% reduction in Scope 1 and Scope 2 emissions by 2030, from a FY20 baseline. Our focus is on long-term decarbonisation within our own operations (Scope 1 and 2), with the limited use of credible offsets to address any residual emissions (less than 10%).
- We also announced Ansell is replacing its water intensity reduction targets with new Water Stewardship commitments to reduce absolute water withdrawals by 35% by the end of FY25, from a FY20 baseline.
- We introduced a number of sustainable solutions for customers including Microflex® 31-103, our first fully compostable glove which is made from a bio-based polymer formulated with natural, renewable materials such as plant-based sugars; and HyFlex® 11-842, with the glove liner being made from 90% recycled nylon, resulting in a recycled content of 30% in the final product and enclosed by plastic-free packaging. We did significant work building an innovation pipeline working with new more sustainable raw materials. We also exceeded our year 1 goals against our new sustainable packaging commitment launched last year.
- We believe it is essential that we take a clear environmental leadership position within our industry and that this will help make Ansell the first choice to form partnerships with end-users, customers and suppliers.

E-commerce and Digitising Business Processes

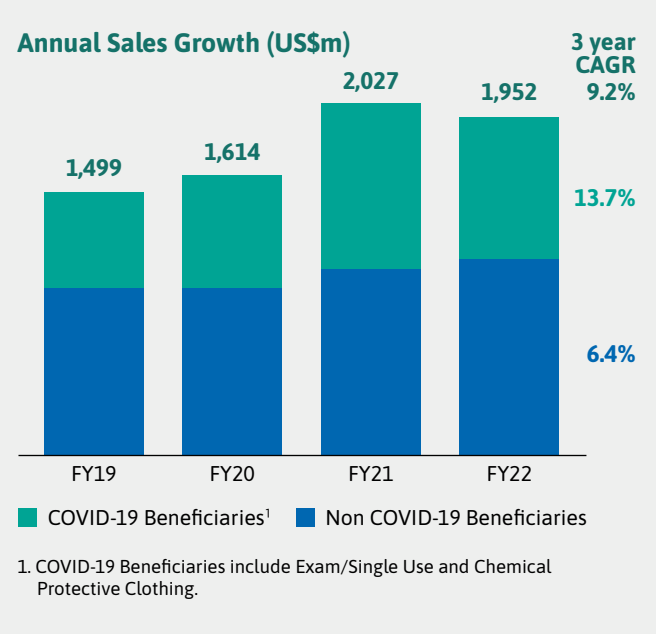
- In 2022 Ansell made broad progress in internal process automation and digitisation of customer interaction, together with enhancing sales and operations planning and introducing new processes to provide total end-to-end supply chain visibility.
- In addition, e-commerce goals achieved included the enhancement of Ansell's website to create a core online marketplace, the support of partner online distribution stores, and success growing our sales through specialist 3rd party e-commerce marketplaces.

Smart Product Innovation

- Among other material and product innovations, Ansell moved ahead to develop connected PPE during the year. Ansell's Inteliforz™ line will bring together wearable technology and our safety expertise to provide real time data on workplace risks – identifying the right glove for the right task and monitoring and reducing workplace ergonomic and other injury risks. We saw significant benefits realised in pilots with major worldwide customers and we are now focused on commercialising the technology in co-operation with our technology partners.

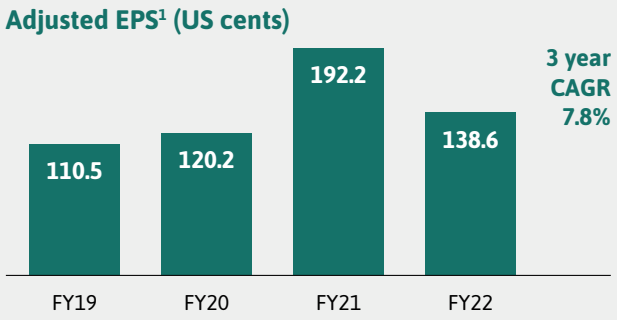
Ansell's Underlying Trajectory

It is useful to cast back to the period before the pandemic in order to sharpen the focus on the Company's underlying trajectory. At the Capital Markets Day in October 2020 we set our annual sales growth target at between 3% to 5%. From FY19 to FY22 Ansell achieved a Compound Annual Growth rate (CAGR) of sales of 9.2%. Even after excluding the SBUs that benefited from COVID-19 protection demand, Exam/Single Use and Chemical Protective Clothing, the Company achieved an impressive CAGR of 6.4% outperforming the upper end of our previous growth target. It is also important to note that although EPS in FY22 was below the prior year, over 3 years we have grown Adjusted EPS at an average annual growth rate of 7.8%.



1. COVID-19 Beneficiaries include Exam/Single Use and Chemical Protective Clothing.

A number of factors have contributed to the growth of Ansell over the period. They include the breadth of Ansell's portfolio, the diversity of our end markets and geographic presence, our strong brands and understanding of customer needs, and our manufacturing capabilities ensuring continuity of supply.



1. FY19-FY20 EPS adjusted retrospectively to apply the accounting policy change upon adoption of the April 2021 IFRIC Agenda Decision 'Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)'. FY22 EPS adjusted to exclude Russia Business Disruption and Exit.

A systematic focus on emerging markets has been an important contributor to Ansell's underlying growth. Emerging markets accounted for 21.0% of sales in FY19, and 23.1% in FY22, with sales growing at a CAGR of 13%. Behind these numbers is Ansell's commitment to growing local sales presence, local regulatory expertise, and strategic customer engagement in emerging markets, underpinned by the offer of a wide portfolio of premium and mid-range products.

Ansell's growth also has been underwritten by significant investment in plant expansions and product innovation. In addition to the major projects mentioned earlier we have also pursued a variety of smaller manufacturing, R&D and commercial innovation investments that have increased capacity of our most differentiated technologies and generated future growth potential from innovation success. These strategic priorities and our investment focus were in place prior to the onset of the pandemic and we made the decision to stay focused on these longer-term priorities rather than make significant changes in pursuit of shorter-term gains.

Our Leadership

Ansell is a diversified global leader in hand and body protection solutions for industrial and healthcare settings. We are global specialists in our chosen markets where we can leverage our market leadership and sector know-how for competitive advantage.

Ansell's leadership is derived from its degree of integration: we don't just sell gloves – we manufacture them; we don't just sell, manufacture and design gloves or body suits – we design and manufacture the complex materials that go into them. We also market our products, giving us direct engagement with customers.

Ansell comprehensively spans its global niche, and this delivers a stream of exciting opportunities. When customers tell us what they want, Ansell's response is to innovate and create exactly what they need. If they're not sure what they want, we bring our technical knowhow and market experience to bear, our customer success stories on pages 6 and 7 give just a few examples of this in practice.

For Ansell, leadership is about:

- The expertise to keep those who wear our products safe and productive
- Presence in diverse and growing markets and geographies
- Trusted, market leading brands attached to quality products
- A broad product portfolio with exposure to balanced and sustainable end markets
- In-house manufacturing and innovation capability
- Respecting and protecting the environment, human rights and the communities we operate in

Sharpening Our Strategy – Sustainable Value Creation

As this report shows, Ansell has maintained a high degree of consistency in our strategic focus, looking through the volatility in demand and pricing for parts of our product portfolio and continuing to advance strategies focused on our longer-term success. As we commence FY23 we will continue with this mindset while we position our business to navigate elevated inflation in raw material costs and wages, an unfavourable shift in foreign exchange rates relative to our US Dollar earnings, and the potential of recessionary conditions taking hold for a period in world economies.

My time with Ansell employees and with customers since becoming CEO has confirmed for me that Ansell's core strategic strengths and sources of differentiation are highly appreciated as sources of value to our global customer base noting in particular our integrated operations, our expertise in developing optimal safety solutions, our leadership in sustainability, and our consistent focus on innovation. Our diverse, passionate and highly engaged global workforce are key to achieving this as is our consistent adherence to financial discipline and a strong balance sheet.

For FY23 I have three main priorities for our business: continued investment and delivery against our longer-term strategies, improved operational effectiveness to create enhanced value from these strategies, and ensuring we are positioned effectively to navigate the shorter-term uncertainties across world markets. These are further detailed in the Strategic Priorities section on pages 16 and 17. As our talented employees continue to create significant value for customers against a consistent strategic focus, I believe we have an excellent foundation to ensure long-term value creation for shareholders.

Neil Salmon
Managing Director and Chief Executive Officer

OUR STRATEGIC PRIORITIES

Ansell is a diversified global leader in hand and body protection solutions and an integrated manufacturer, innovator and marketer of products on which millions of workers and healthcare professionals rely.

Mission

Ansell's mission is to provide innovative safety solutions in a trustworthy and reliable manner, creating an Ansell-protected world.

#AnsellProtects

Values

Our eight corporate values are at the heart of everything we do:

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

Enablers

Diversified manufacturing footprint	Leading innovation and quality	Global presence	Deep customer understanding	Embedding sustainability	Engaged workforce

Near Term Priorities

1 Strategies for Long-Term Growth and Differentiation

- Capacity expansion for differentiated product lines
- Investing in digital commerce capability to drive growth and productivity
- Value creation from leading in ESG and sustainability
- Commercialising innovation in product and service safety solutions

2 Focus on Operational Effectiveness

- Optimising performance of recently installed capacity
- Investing in systems and processes for enhanced supply chain reliability
- Continued vigilance on labour rights compliance across our supply chain with a focus on increasing in-house manufacturing
- Progressing DE+I objectives while building a thriving culture in a hybrid office world

3 Positioning for Shorter Term Market Trends

- Price increases and cost reduction initiatives to offset inflation
- Caution on SG&A expense, while preserving innovation investment
- Accelerated delivery against automation goals within operations
- Accomplishing exit from our Russian commercial and manufacturing operations

Outcome

Deliver Sustainable Shareholder Value Creation

FINANCIAL PERFORMANCE

Group Results

Currency Reporting

The US Dollar is the predominant global currency of Ansell's business transactions and the currency in which the global operations are managed and reported. Non-US Dollar 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 performance of Ansell without the impact of non-trading items and foreign currency impacts. Non-IFRS measures have not been subject to audit or review. The non-IFRS measures are defined as follows and apply throughout this report:

- **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 Dollar 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 impact from the Russia Business Disruption and Exit is also excluded. The principles of constant currency reporting and its implementation are subject to oversight by the Audit and Compliance Committee of the Board.
- **GPADE** – defined as Gross Profit After Distribution Expenses. Gross Profit means sales less cost of goods sold.
- **SG&A** – defined as Selling, General and Administration expenses.
- **EBIT** – defined as Earnings Before Interest and Tax. Includes share of profit/(loss) from Careplus joint venture.
- **EBIT or GPADE Margin** – defined as EBIT or GPADE as a percentage of sales.
- **EBITDA** – defined as Earnings Before Interest, Tax, Depreciation and Amortisation. Excludes share of profit/(loss) from Careplus joint venture.
- **Operating Cash Flow** – defined as net receipts from operations as per the Consolidated Statement of Cash Flows adjusted for net payments for property, plant and equipment and intangible assets, repayments of lease liabilities, net interest paid, and tax paid.
- **Adjusted financial measures** – defined as the reported financial measures per the audited consolidated financial statements excluding the financial impact of the Russia Business Disruption and Exit. See Note 3(b) Russia Business Disruption and Exit of the Group's audited FY22 Financial Statements. For example, Adjusted EBIT represents EBIT excluding Russia Business Disruption and Exit.

Group Income Statement

	FY21	FY22	Exclusion of Russia Business Disruption and Exit	FY22 Adjusted	Adjusted Growth %	Constant Currency Growth %
Sales	**$2,026.9m**	**$1,952.1m**	**-**	**$1,952.1m**	**(3.7%)**	**(2.0%)**
EBIT	**$338.0m**	**$228.1m**	**$17.0m**	**$245.1m**	**(27.5%)**	**(32.1%)**
EBIT Margin	**16.7%**	**11.7%**		**12.6%**		
Net Interest	($19.9m)	**($19.7m)**	-	**($19.7m)**	(1.0%)	0.0%
Taxes	($69.8m)	**($48.6m)**	-	**($48.6m)**	(30.4%)	(37.3%)
Effective tax rate[1]	*22.5%*	**22.4%**		**20.8%**		
Minority Interests	($1.6m)	**($1.1m)**	-	**($1.1m)**	(31.3%)	(26.7%)
Profit Attributable	**$246.7m**	**$158.7m**	**$17.0m**	**$175.7m**	**(28.8%)**	**(33.0%)**
EPS	**192.2¢**	**125.2¢**	**13.4¢**	**138.6¢**	**(27.9%)**	**(32.2%)**
Dividend	**76.8¢**	**55.45¢**	**-**	**55.45¢**	**(27.8%)**	

1. Effective tax rate is calculated excluding the share of profit/(loss) from Careplus joint venture (equity accounted).

Group Sales

Ansell delivered sales in FY22 of $1,952.1m, representing a decline of 3.7% on a reported basis and decline of 2.0% on a Constant Currency basis.

The Healthcare GBU (HGBU) business growth on a Constant Currency basis declined 2.1%. Surgical and Life Sciences continued to deliver strong results, but this was more than offset by Exam/Single Use which saw lower pricing and volumes compared with the prior year which benefited from COVID-19.

The Industrial GBU (IGBU) business growth on a Constant Currency basis declined 1.9%. Positive performance from Mechanical was more than offset by lower sales from Chemical Protective Clothing due to the reversal of COVID-19 related benefits.

	FY21				FY22			
	HGBU	**IGBU**	**Corporate**	**Group**	**HGBU**	**IGBU**	**Corporate**	**Group**
Revenue	$1,236.2m	$790.7m	-	$2,026.9m	**$1,189.6m**	**$762.5m**	**-**	**$1,952.1m**
Segment EBIT	$248.8m	$112.4m	($23.2m)	$338.0m	**$150.7m**	**$107.0m**	**($12.6m)**	**$245.1m**
EBIT Margin	20.1%	14.2%	n/a	16.7%	**12.7%**	**14.0%**	**n/a**	**12.6%**

Group EBIT

Ansell's Adjusted EBIT for FY22 was $245.1m, which includes $8.5m share of losses from the Careplus joint venture (equity accounted).

Adjusted EBIT was 27.5% lower than the prior year on a reported basis and 32.1% on a Constant Currency basis. Margins declined by 410bps to 12.6%. GPADE margins were negatively impacted by having to sell high cost Exam/Single Use inventory from outsourced suppliers at lower prices, adverse plant performance and higher freight costs. This was partially offset by SG&A spend being lower. Careplus joint venture contribution was $8.5m loss compared with $8.1m profit the prior year. See page 20 Careplus Joint Venture for further detail.

Adjusted EBIT performance in the second half of FY22 improved over the first half of FY22 as we adjusted supply from outsourced suppliers to better meet demand with an improvement of $23.1m in Adjusted EBIT and 320bps in margins.

Net Interest Expense

Net interest expense decreased by $0.2m, mainly due to lower interest cost as a result of lower interest bearing debt balance which was part offset by lower interest income due to lower cash balance.

Tax Expense

The reported effective tax rate of 22.4% is consistent with FY21 of 22.5%, whilst the adjusted effective tax rate of 20.8% is lower than the prior year due to lower profitability from higher taxing countries.

Group Balance Sheet

	FY21	FY22	$ Change	% Change
Inventories	$611.2m	**$521.3m**	($89.9m)	(14.7%)
Trade receivables	$265.5m	**$191.2m**	($74.3m)	(28.0%)
Trade payables	($357.4m)	**($232.0m)**	$125.4m	(35.1%)
Net working capital	**$519.3m**	**$480.5m**	**($38.8m)**	**(7.5%)**
Property, plant and equipment	$294.9m	**$299.4m**	$4.5m	1.5%
Careplus joint venture (equity accounted)	$18.9m	**$9.6m**	($9.3m)	(49.2%)
Intangible assets	$1,077.1m	**$1,049.4m**	($27.7m)	(2.6%)
Other assets/liabilities	($65.7m)	**$0.5m**	$66.2m	(100.8%)
Capital employed	**$1,844.5m**	**$1,839.4m**	**($5.1m)**	**(0.3%)**
Net debt	**($279.9m)**	**($282.8m)**	**($2.9m)**	**1.0%**
Total equity	**$1,564.6m**	**$1,556.6m**	**($8.0m)**	**(0.5%)**

Ansell's capital employed decreased by $5.1m in FY22 mainly because of the improvement in net working capital, as discussed below, offset by a decrease in employee incentive provisions and current tax liabilities.

Climate Change

For impairment testing purposes, the committed climate-related investments and initiatives have been included in the most recent year's budget and future cash flow projection, which is used as an input to determine the recoverable amount of each Cash Generating Unit ('CGU'). Furthermore, the potential impacts of climate change have been considered through downside scenario analysis and key assumption sensitivity assessment. In FY22, the Group achieved full alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Refer to page 46 for more information on the Company's climate risk.

Working Capital

The decrease in inventories was driven by the reduction in Exam/Single Use product costs. Inventory turns at 30 June 2022 were consistent with that of last year, showing good momentum improving in the second half of FY22.

Cash collection of trade receivables was strong in FY22, evidenced by an improvement in debtor days. The trade receivables ageing profile remained largely consistent with that of last year.

The reduction in Exam/Single Use product costs had a positive impact on reducing trade payables. This was partially offset by shorter payment terms to selected suppliers upon their request.

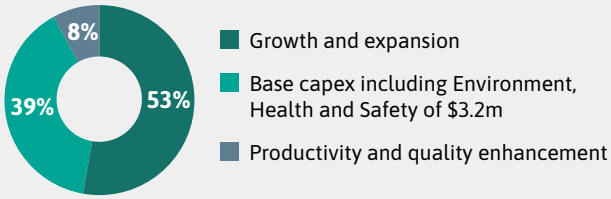
Capital Investment Projects

In FY22, the Group spent less on capital investment projects than that of last year. There was some delay of spend in the first half of FY22 as a result of intermittent shutdowns at our manufacturing facilities due to COVID-19.

Our capital investment was focused on both our near-term and long-term priorities for:

- The expansion of production capacity, such as our differentiated single use gloves at Thailand and greenfield site for surgical gloves in India;
- The continued attention on improved operational effectiveness across our plants, including automation; and
- Environmental and climate initiatives, namely solar panels and reverse osmosis, aligning with our commitment to achieve Net Zero, for Scope 1 and Scope 2 emissions, by 2040 in our own operations.

FY22 CAPEX by Category



Careplus Joint Venture

Ansell's joint venture investment in Careplus, a Malaysian surgical and exam glove manufacturer, was loss making which reduced Group EBIT by $8.5m. This was mainly driven by a softer than anticipated demand environment for exam gloves combined with production challenges. No dividends were paid during FY22 to support the capital needs of Careplus.

Net Debt

Ansell maintained strong liquidity with $634.9m of cash and committed undrawn bank facilities at 30 June 2022. In November 2021, the Group renewed its syndicated borrowing facility, increasing the total facility to $500m (previously $300m) and extending the maturity date to January 2027 (previously June 2023).

Group Cash Flow

	FY21	FY22	$ Change	% Change
Net receipts from customers	$239.8m	**$271.9m**	$32.1m	13.4%
Net cash provided by operating activities	$172.8m	**$222.0m**	$49.2m	28.5%
Net cash used in investing activities	($84.7m)	**($71.2m)**	$13.5m	(15.9%)
Net cash used in financing activities	($267.5m)	**($176.7m)**	$90.8m	(33.9%)
Net increase in cash and cash equivalents	($179.4m)	**($25.9m)**	$153.5m	(85.6%)

Net cash provided by operating activities increased year on year. Albeit net profit decreased in FY22, net receipts from customers for FY22 is 13.4% higher as compared to that of FY21. This was driven by the improvement in working capital.

The decrease in net cash used in investing activities was driven by lower levels of capital investment. This was due to the postponement of spend as a result of COVID-19 shutdowns at our manufacturing facilities in the first half of FY22.

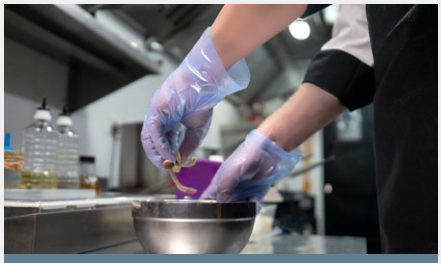
Cash used in financing activities also decreased in FY22. Cash was used to finance payment of dividends to shareholders, net interest cost, lease payments and purchase of treasury shares and to settle long term incentive plans. However, this was more than offset by the drawdown of borrowings.

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 life science & pharmaceutical companies.

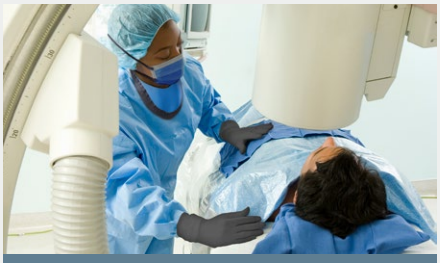
The portfolio includes surgical gloves, single use and examination gloves, clean and sterile gloves and garments, and consumables. It also includes single use gloves used by industrial workers in manufacturing, auto repair, chemical, food processing and other industries.

MICROFLEX® TouchNTuff® EDGE® MICRO-TOUCH® SANDEL® GAMMEX® ENCORE® MEDI-GRIP® BioClean® Premium®



Microflex® 31-103

Compostable single use glove made in Europe from PLA blend, a bio-based polymer formulated with natural, renewable materials, like plant-based sugars.



GAMMEX® PI Radiation Attenuation

Polyisoprene, personal protective shield protects hands from scattered radiation exposure during fluoroscopic procedures.

Bioclean™ Isolator Sleeve

High dexterity nitrile combined with maximum protection against chemicals for Restricted Access Barrier Systems (RABS) and isolator environments.

★ New Product Development ● Capacity Investments

Financial Summary

US$m	FY21	FY22	Growth %	Constant Currency Growth %
Sales	$1,236.2m	**$1,189.6m**	(3.8%)	(2.1%)
EBIT[1]	$248.8m	**$150.7m**	(39.4%)	(41.4%)
EBIT Margin	20.1%	**12.7%**		

1. EBIT includes share of profit/(loss) from the Careplus joint venture (equity accounted).

Sales Performance

FY22 sales were $1,189.6m, representing a decline of 3.8% on a reported basis and 2.1% on a Constant Currency basis. The business saw positive growth on a Constant Currency basis from Surgical and Life Sciences which was more than offset by the decline from Exam/Single Use.

SBU Highlights

Exam/Single Use growth on a Constant Currency basis declined 11.1% due to lower prices and volumes. As anticipated, price decline was greatest in the standard thin category which increased the most during COVID-19. However, overall, prices remain above pre-COVID-19 levels. Differentiated in-house volumes grew ~15% year on year supported by recent investments. We also saw improved volumes in the second half of FY22 compared to the first half of FY22.

Surgical growth on a Constant Currency basis was 17.1% with strong demand maintained in part due to industry supply constraints. Customers continued to shift away from powdered to powder free natural rubber latex and synthetic gloves. Growth in synthetics was supported by recent capacity expansions in Sri Lanka and Malaysia.

Life Sciences achieved solid growth through pricing and mix despite some supply constraints. There was a shift towards higher value and greater protection styles. We also saw strong growth in isolator sleeves.

EBIT Performance

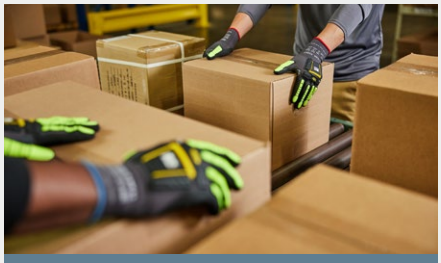
EBIT on a reported basis declined 39.4% and margins reduced 740bps to 12.7%. Selling high cost inventory from outsourced suppliers at lower margins was the key driver. This was mainly an issue in the first half of FY22. EBIT margins improved from 10.1% in the first half of FY22 to 15.6% in the second half of FY22. Margins were also negatively impacted by COVID-19 related manufacturing disruptions, higher freight costs and our share of losses from the Careplus joint venture (equity accounted). These were partly offset by lower SG&A spend.

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.

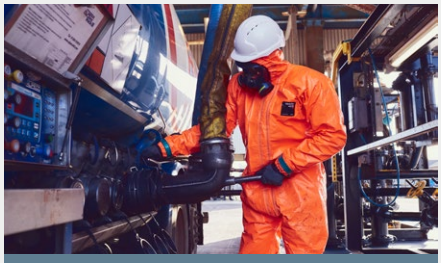
Ansell protects workers in industries including automotive, chemical, metal fabrication, machinery and equipment, food, construction, mining, oil & gas, utilities, logistics and first responders.

HyFlex AlphaTec ACTIVARMR RINGERS GLOVES EDGE inteliforz



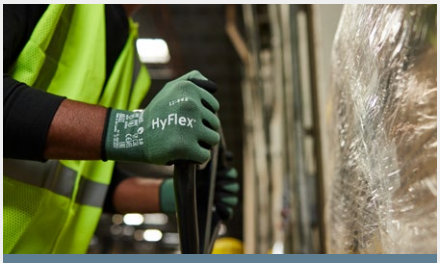
Ringers® Gloves R-840 ★

Combining benefits of Ringers® and HyFlex® 11-840 to provide light impact protection, longevity, grip, and dexterity.



AlphaTec® 4000CFR ★

Flame-retardant multi-hazard solution suit with exceptional chemical protection.



HyFlex® 11-842 ★

Popular durable multi-purpose glove offering grip and abrasion protection but better for the planet. Glove liner made from minimum 90% recycled nylon yarn and sustainable plastic free packaging.

★ New Product Development

Financial Summary

US$m	FY21	FY22	Growth %	Constant Currency Growth %
Sales	$790.7m	**$762.5m**	(3.6%)	(1.9%)
EBIT	$112.4m	**$107.0m**	(4.8%)	(11.6%)
EBIT Margin	14.2%	**14.0%**		

Sales Performance

FY22 sales were $762.5m, representing a decline of 3.6% on a reported basis and 1.9% on a Constant Currency basis. Positive growth on a Constant Currency basis from Mechanical was more than offset by a decline from Chemical.

SBU Highlights

Mechanical saw positive growth on a Constant Currency basis of 3.7% with positive impact from pricing and mix. The business experienced volume growth from the cut protection segment but was offset by weaker performance from the multi-purpose segment which benefited during COVID-19. Contribution was strong from emerging markets, particularly Latin American and Caribbean.

Chemical saw growth on a Constant Currency basis decline 11.6%. This was driven by protective clothing which saw a negative growth on a Constant Currency basis following the reversal of last year's COVID-19 related increase. Chemical glove demand remained solid but sales were affected by shipping delays, labour shortages and COVID-19 related production delays. Success with our innovations in the high-end chemical protection segment should drive future growth.

EBIT Performance

EBIT on a reported basis decreased 4.8% over the prior year and margins declined 20 basis points to 14.0%. While the business successfully increased prices and announced further price increases to take effect from FY23, it was unable to fully recover higher raw materials and freight costs within the second half of FY22. Also, performance was negatively impacted by COVID-19 manufacturing shutdowns and labour shortages. The above negative impacts were partly offset by lower SG&A.

AlphaTec
4000
AUTHO
PERSON

OUTLOOK

Although there is some uncertainty in relation to the economic outlook, as we start FY23 we see an external environment that remains supportive for continued demand of our products. This is expected to drive volume growth for all our SBUs.

We anticipate normalisation of Exam/Single Use prices to result in lower sales revenue for the Group compared with the prior year. We also expect GPADE margins to improve.

Our goal is to offset in full, the expected negative headwinds from higher raw material, energy and salary costs with price increases and operational cost saving initiatives.

SG&A costs should increase due to the reversal of lower variable employee costs in FY22 and higher than historical levels of wage inflation, but will remain below FY21 levels. We will maintain a cautious stance on managing total employee numbers, but will invest selectively to support longer term growth.

Foreign currency is expected to be unfavourable to earnings with the impact only partly offset by our forward currency hedging program. The key driver is the devaluation of EUR against USD which has fallen from an average of 1.13 for FY22 to around 1.0.

SUSTAINABILITY

We are passionate about protecting people, setting ourselves ambitious goals to transform our company and to protect sustainably both employees and the environment we live in. Ansell has put sustainability at the heart of its business with our purpose: thinking of people and planet first.

In FY22, Ansell embarked upon a broad range of important initiatives within our workstreams of People, Planet and Product. Foundational activities and capital investments in previous years has meant the Company is now solidifying its industry-leading position in responsible and sustainable practices.

Read more in our 2022 Sustainability Report and Modern Slavery Statement, to be released in September 2022 and November 2022, respectively.

EcoVadis awarded Ansell a silver medal, placing Ansell in the

top 6% of companies

in our applicable industry[1], and in the

top 25% of 90,000 companies

assessed worldwide by EcoVadis.

1. EcoVadis classified Ansell in the "other manufacturing n.e.c. (no where else classified)" industry.

PEOPLE

This year, we progressed our **safety** strategy and further drove maturity and leadership in our safety culture, increasing engagement and accountability amongst non-EHS specialists at the plants.

LOWEST MEDICAL TREATMENT INJURY (MTI) IN 10 YEARS
0.161

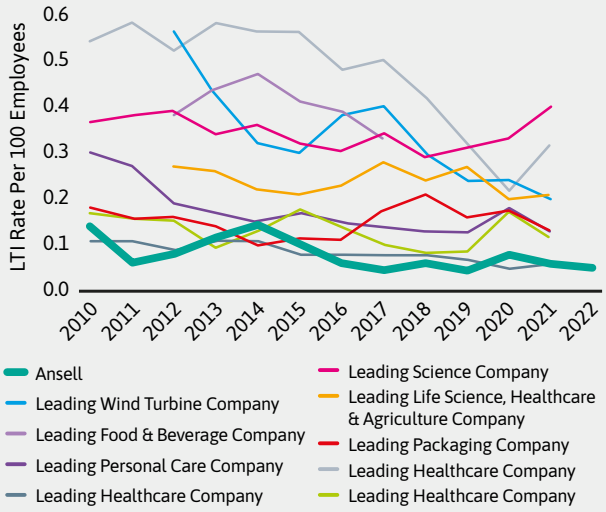
CONTINUED Y-O-Y DECREASE IN LTI
0.051

Management of COVID-19 remained a dominant concern, and making vaccines available worldwide is a key priority:

94%
OF ANSELL'S MANUFACTURING EMPLOYEES HAVE RECEIVED TWO COVID-19 VACCINATIONS

56%
OF ANSELL'S MANUFACTURING EMPLOYEES HAVE ALSO RECEIVED A BOOSTER VACCINATION

Lost Time Injuries (LTI)



A comparison of Ansell's Lost Time Injuries performance against that of comparable market-leading global manufacturers drawn from publicly available website data. Note data as of June 2022.

The industry Ansell operates in, and the location of many of our operations and suppliers, expose us to higher risks of labour exploitation. Ansell is committed to respecting human rights and will not tolerate conditions of modern slavery. These are complex, systemic issues, and as a market leader Ansell is acting to promote high labour standards across our operations, supply chain and the wider industry.

We maintained robust progress on multi-year **labour rights** initiatives. Recognising that Ansell operates in locations at a higher risk of labour exploitation, in FY22 we prioritised implementation of our Labour Standards Management Framework and our Supplier Management Framework (SMF). Both are founded on respect for human rights and are intended to promote high labour standards across our operations and supply chain.

For our own operations, we use third-party audits as a critical tool for continuous improvement. Ansell plants undergo third party Sedex Members Ethical Trade Audits (SMETA) audits and in FY23 we are introducing independent, third-party forced labour assessment against the International Labour Organization (ILO) Indicators of Forced Labour (forced labour assessments). Both SMETA and forced labour assessment methodologies are developed based on the ILO Indicators of Forced Labour, but are executed via a different approach and methodology.

Review of migrant worker recruitment fee remediation program

In FY20, Ansell was one of the first organisations in our industry to reimburse migrant workers who had paid recruitment fees to agents in their home countries. In FY22, we commissioned ELEVATE to review our remediation program. The review identified that while our initial approach to remediation was mostly aligned with emerging best practices at the time, the amounts remediated to migrant workers from Myanmar and Indonesia at our Malaysian plants were lower than the average reported by workers from the Malaysian medical product sector as per ELEVATE's benchmarks. Accordingly, Ansell has committed to reimburse the difference and seek third-party verification from ELEVATE that the payment is complete.

How we engage with suppliers on labour rights

We seek to drive meaningful change in our extended supply chain and strengthen relationships with our suppliers. This is done through a series of engagement activities that build a holistic picture of supply chain performance and action.

Audit program

Risk-based factors will be used to identify additional suppliers to perform third-party audits using globally-recognised programs, such as SMETA, BSCI and SA8000.

Supplier training and briefing

We share learnings from our sites and best practices on labour rights topics. Under the Supplier Management Framework, we will provide a structured approach.

Regular discussions with suppliers

Discussions with suppliers on best practice and sharing learnings to address issues and address emerging risks.

Collaborations and partnerships

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

Ansell condemns all forms of modern slavery and human rights abuses, including the use of forced labour. We consistently communicate to suppliers our expectations for having effective systems in place for ensuring the highest standards of health and safety of all workers and remediating human rights abuses identified in their supply chains. To date, we have seen improved labour standards amongst our suppliers.

Ansell recognises that modern slavery is a profoundly complex issue that requires collaboration and time to rectify and effect lasting industry-wide changes. Therefore, we remain committed to working with the entire international community, industry partners, governments, and non-government organisations to promote a coordinated approach to addressing the root causes of human rights abuses in our industry.

Ansell joined leading global players in the rubber glove industry as a founding member of the Responsible Glove Alliance

In March 2022, the Responsible Glove Alliance (RGA) was launched with seven founding members, including Ansell, and the support of the Responsible Business Alliance. The RGA is a collaborative industry initiative to prevent and remediate forced labour and drive transformational change on labour rights in the glove industry in Malaysia.

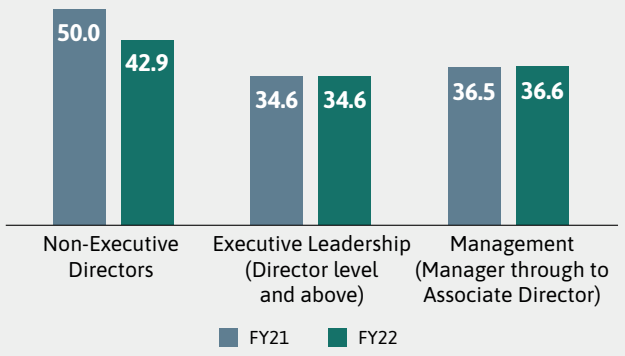
Last year we reported our highest **employee engagement** score of 70% for combined production and professional employees, from which we identified areas for improvement and implemented more than 200 actions. These actions span across focus areas of Decision Making and Prioritisation, Reward & Recognition, Collaboration, Empowerment and Senior Leader Visibility.

Shifted learning approach

We deployed Ansell Production System (APS), starting with our plant in Sri Lanka. APS will upskill shop floor and line teams, advancing capabilities of our workforce.

Expanding our **diversity, equality and inclusion** (DE+I) program beyond gender, we seek to ensure a more inclusive workplace for all employees. We launched a regional network approach, with employee-led DE+I groups in office hubs and operations to drive implementation of our policy and programs. Notwithstanding, the shift to a broader diversity and inclusion focus, Ansell has not lost sight of its commitment to advancing women at all levels. We have exceeded or progressed toward our established female representation targets, with Director and above positions at 35% (target: 30%) and Manager to Associate Director at 37% (target: 40%).

% Women in leadership (as at 30 June 2022)



Ansell's mission-driven employees make an impact that makes a difference to customers, end-users, and **community**:

Project Joy

Building on Ansell's promise to keep workers safe, Project Joy has been providing customised PPE solutions for workers with unique safety needs on a small scale for several years in the United States. We are now expanding Project Joy globally as part of our DE+I commitments.

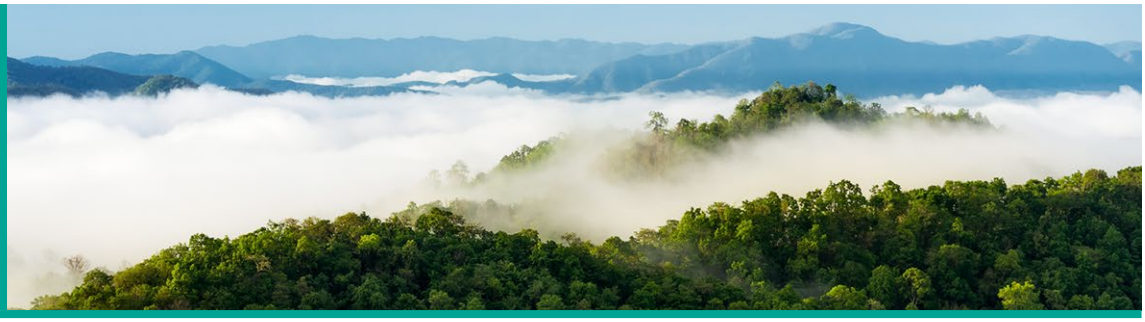
Operation Smile

Ansell donated examination and surgical gloves to help one of the world's largest volunteer-based organisations to provide free, safe surgeries for children born with cleft lips, cleft palates and other facial deformities. Operation Smile has a presence in more than 60 countries.

Communities in distress

When disaster and disruption strikes, Ansell will seek ways to step in to help with financial and product donations, especially in areas where our employees live and work. When flooding inundated areas across Malaysia, Ansell donated USD 10,000 to the Malaysian Red Cross and supported 30 employees in Cyberjaya, Melaka and Shah Alam whose homes were severely damaged. Similarly, we are providing financial assistance and other support to ensure Sri Lankan employees can obtain food, medicine and essential items during the economic crisis in Sri Lanka, and we are monitoring the needs of our employees in that country closely. Ansell people step up as well. Recently, employees from our Krakow site provided volunteer assistance to Ukrainian refugees arriving in Poland.

PLANET



In July 2022, we announced an ambitious decarbonisation strategy which will see Ansell achieve Net Zero by 2040 for our own operations. This long-term reduction target is supported by a science-based mid-term target of 42% reduction in Scope 1 and 2 emissions by 2030, from a FY20 baseline, in line with the ambitions of the Paris Agreement to limit global warming to 1.5 degrees Celsius. Ansell will focus on long-term decarbonisation efforts within its own operations, prior to exploring investing in credible and high-quality off-sets to address any limited residual emissions (less than 10%).

Net Zero for our own operations (Scope 1 & 2):

↓42%
EMISSIONS REDUCTION BY 2030

NET ZERO
BY 2040

Our decarbonisation strategy has three primary focus areas:

- Transitioning from fossil fuels to renewable energies
- Innovation in manufacturing processes, products and circularity
- Collaboration through value chain partnerships and policy advocacy

Against our current corporate target of 292 GHG emissions intensity ($MtCO_2e$/million USD production value[2]), we report 368 GHG emissions intensity for FY22 This year, we faced critical challenges. The economic situation in Sri Lanka disrupted the supply of biomass to the plant, necessitating the use of furnace oil to power our boilers. Due to power cuts in Sri Lanka, we increased the use of our generators and for longer periods of time, which increased our diesel consumption. We are also still working on syncing the use of the old and new biomass boiler in Thailand, which will reduce our dependency on the fossil fuel powered boiler at the plant.

Ansell has a broader ambition to reduce end-to-end value chain emissions

Our complex supply chain represents the majority of our overall GHG emissions. Further engagement with our suppliers and other stakeholders will be required before we can define our Scope 3 emissions reduction targets.

Alignment with like-minded suppliers and customers

Low carbon transport and distribution

Product end of life

More sustainable raw materials

We strengthened our commitment to renewable energy sources and energy productivity by aligning with Climate Group's RE100 and EP100 initiatives for shifting to renewables and improved energy management systems in its manufacturing facilities. Accordingly, Ansell is committed to:

- sourcing 100% renewable electricity across our entire operations by 2040, with an interim target of 2030; and
- implementing an Energy Management System (EnMS) across all operations by 2028.

Ansell has also become a member of the Renewable Thermal Collaborative.

Ansell extended its **climate risk** assessments this year, including scenario modelling and quantification of impacts in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The outcomes of the analysis informed the development of our operational decarbonisation strategy. Ansell is now fully aligned with the Recommendations of the TCFD. Read our Climate Risk disclosure on page 46.

In addition to setting our decarbonisation strategy, we have focused our attention on other important environmental targets and commitments across water, waste and biodiversity.

RENEWABLE THERMAL COLLABORATIVE

Member of the **Renewable Thermal Collaborative** – one of the largest coalitions addressing the demand for decarbonisation of thermal energy generation.

CDP SUPPLY CHAIN MEMBER

We joined the **CDP Supply Chain Program** on Climate Change and Water Security as the first Lead Member from Oceania. This will help suppliers understand their climate impacts, decarbonise their operations and improve their water security.

IUCN

In 2022 we made a commitment to engage with the **International Union for Conservation of Nature** to assess Ansell's biodiversity impacts and dependencies in our value chain, and develop plans for improvement and mitigation of our negative footprint.

Water

Reduce water withdrawals by 35% by FY25 (from a FY20 baseline)

Our renewed water stewardship commitment is made up of tiered context-based targets, which considers the baseline water stress and water withdrawals at our plants.

Water intensity of 11.04m3/ million USD production value[2] ('000) in FY22, against our target of 9.59 m3/million.

Waste

Zero Waste to Landfill: Divert more than 99% of waste generated from landfills

In FY22, five plants were independently certified for Waste to Landfill diversion rate of >99%[3]

An average of 4% of total waste generated by Ansell operations went to landfill in FY22.

2. Cost of production including materials, utilities and labour. Data represents manufacturing plants only.
3. Certified by Intertek, an independent third-party, on each plant's achievement of a waste to landfill diversion rate exceeding 99%, against Intertek's Zero Waste to Landfill certification criteria.

PRODUCT

During FY22 we accelerated the integration of Design for Sustainability principles into our innovation and product processes, incorporating data derived from life cycle assessments and customers' needs. We also finalised our packaging pledge and accomplished significant projects to eliminate, reduce and replace packaging material during the year. Our progress is reflected in two products released during FY22:

First Compostable Glove MICROFLEX® 31-103

Product and packaging +90% biodegradation within 180 days[4]	Made with green electricity at Ansell's Portugal facility

Mechanical Gloves made from Recycled Yarn HyFlex® 11-842

Glove liner 90% recycled nylon	Final product 30% recycled content	Paper band packaging 71% less greenhouse gas emissions[5]

Packaging

This year we finalised Ansell's packaging pledge:

PACKAGING PLEDGE

Every packaging choice is guided by scientific research to minimise our environmental impact while maintaining our superior quality that protects people and products

Packaging achievements in FY22:

Polybag made from bio-blend material[4]

Digitisation of IFU in NA/LAC regions & IFU right-sizing in EMEA/APAC

Completed Phase 1 of standardisation and optimisation of shipper case dimensions

Pilot launch of plastic-free packaging (paper band)

4. Achieving +90% biodegradation within 180 days in industrial composting facilities and is certified compostable by TUV Austria, meeting EN13432 standards.
5. Ansell's LCA, scenario analysis, January 2021.

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 member of the Human Resources Committee.

Current Directorships:
Chairman of BlueScope Steel Limited (2014 to present), Non-Executive Director of Humpty Dumpty Foundation (2017 to present), Alumina Limited (2018 to present) and Balmoral Iron Pty. Ltd. (2022 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.

Neil I Salmon
Managing Director and Chief Executive Officer

BA, ACMA
Based in Brussels, Belgium

Appointed Managing Director and Chief Executive Officer in September 2021.

Mr Salmon joined Ansell as Chief Financial Officer in 2013 and was appointed President of the Industrial Global Business Unit in 2018.

Prior to joining Ansell, Mr Salmon had more than 20 years of professional experience, gained working across a range of roles in a diverse group of international businesses. He spent the first 17 years of his career with Imperial Chemical Industries (ICI) primarily in finance roles based in the UK, South Africa, the USA and Singapore before serving as Chief Financial Officer of Innophos in New Jersey, USA.

As an Executive Director, Neil Salmon is not an independent Director.

Leslie A Desjardins
Non-Executive Director

B. Industrial Admin, Finance (Kettering), MS. Management (MIT)
Based in Austin, Texas, USA

Appointed Non-Executive Director in November 2015.

Chair of the Audit & Compliance Committee, member of the Human Resources Committee and the Governance Committee.

Current Directorships:
Non-Executive Director and Audit & Risk Committee Chair of ALS Limited (2019 to present)

Former Directorships:
Director of Aptar Group (2012-2015) and Non-Executive Director of Terry Fox Cancer Foundation (2014-2021).

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.

Morten Falkenberg
Non-Executive Director

B.Sc., Economics & Business Administration from the Copenhagen Business School
Based in Copenhagen, Denmark

Appointed Non-Executive Director in November 2021.

Member of the Audit and Compliance Committee and the Sustainability and Risk Committee.

Current Directorships:
Non-Executive Director of Duni AB and Non-Executive Director of Embellence Group.

Mr Falkenberg is a highly experienced and seasoned executive with nearly 35 years of leadership experience within FMCG, Telecoms/ Technology, and consumer durable goods companies most recently as CEO of Nobia (Europe's largest value kitchen company) from 2010 until his retirement in 2019. Prior to that Mr Falkenberg held senior positions at Electrolux, Tele Denmark and Coca-Cola and has lived outside his native Denmark in the U.S., Israel, Norway and Sweden.

The Board considers Morten Falkenberg 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.

Chair of the Human Resources Committee and member of the Sustainability and Risk Committee.

Current Directorships:
Chairman of McMahon Services advisory board (2019 to present), Non-Executive Director of Hudson Institute of Medical Research (2016 to present), Non-Executive Director of CSR Ltd (2020 to present) and Chairman of Flinders Port Holdings Pty. Ltd. (2021 to present).

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

Mr Garrard is an experienced executive with a successful track record across FMCG and Industrial/ Manufacturing sectors. Mr Garrard has 20 years' experience as an ASX-listed CEO across three companies. In 2019, Mr Garrard retired as Managing Director and CEO of Orora Limited. Mr Garrard led the demerger of Orora from Amcor, and subsequent listing on the ASX in 2013. Mr Garrard was President of the Amcor Australasia and Packaging Distribution business group, Managing Director of Coca-Cola Amatil's Food and Services Division and Managing Director of SPC Ardmona.
Mr Garrard brings broad international experience across listed, not-for-profit, government and private entities.

The Board considers Nigel Garrard to be an independent Director.

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 and the Governance Committee.

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

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

The Board considers William Reilly 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.

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

Current Directorships:
Independent Member of Landis & Gyr Group AG (2017 to present) and Vice Chairman of Myanmar Foundation.

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

Mrs Stercken was a partner at Euro Asia Consulting PartG (EAC) until the end of 2017. In this function, Mrs Stercken helped customers in machinery, automotive, chemical, healthcare and infrastructure industries in strategy, M&A and operational excellence in growth markets.

Before joining EAC, Mrs Stercken served as Managing Director Corporate Finance M&A of Siemens AG. Among other management positions within Siemens AG, she was responsible for the Siemens Task Force China and Head of Public Sector Business Unit at Siemens Business Services. Mrs Stercken started her career in Marketing at BMW Pty. Ltd, South Africa.
Mrs Stercken brings a broad range of competencies relevant to Ansell's strategies, including M&A, broad industry background and business building in developing markets. In her function as Vice Chairman of Myanmar Foundation, Munich, Mrs Stercken supports social projects in Myanmar.

The Board considers Christina Stercken to be an independent Director.

Christine Y Yan
Non-Executive Director

BS (Mech. Eng) (Shandong), MSc, (Mech. Eng) (Wayne State), MBA (Michigan)
Based in Florida, USA

Appointed Non-Executive Director in April 2019.

Member of the Audit & Compliance Committee, the Human Resources Committee and the Governance Committee.

Current Directorships:
Non-Executive Director of onsemi (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.

EXECUTIVE LEADERSHIP TEAM

Neil Salmon
Managing Director and Chief Executive Officer

BA, ACMA
Based in Brussels, Belgium

Zubair Javeed
Chief Financial Officer

BA (Hons), ACMA, AMCT
Based in Brussels, Belgium

Rikard Froberg
President, IGBU

MS, MA
Based in New Jersey, USA

Darryl Nazareth
President, HGBU

BS, MS, MBA
Based in New Jersey, USA

Francois le Jeune
Chief Commercial Officer – EMEA & APAC, and Guardian Administration

MEng, MBA
Based in Brussels, Belgium

Renae Leary
Chief Commercial Officer – Americas

BA, MCom
Based in New Jersey, USA

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 2022. The information set out below is to be read in conjunction with:

- Operating Financial Review appearing on pages 18 to 25;
- Remuneration Report appearing on pages 49 to 74; and
- Note 21 Related Party Disclosures and Note 23 Ownership-based Remuneration Schemes 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:

- John A Bevan (Chairman)
- Magnus R Nicolin (former Managing Director and Chief Executive Officer)[1]
- Neil I Salmon (Managing Director and Chief Executive Officer)[2]
- W Peter Day[3]
- Leslie A Desjardins
- Nigel D Garrard
- Morten Falkenberg[4]
- Marissa T Peterson[3]
- William G Reilly
- Christina M Stercken
- Christine Y Yan

1. Mr Nicolin retired as Managing Director and Chief Executive Office effective 31 August 2021.
2. Mr Salmon was appointed Managing Director and Chief Executive Office effective 1 September 2021.
3. Mr Day and Mrs Peterson retired from the Board on 11 November 2021.
4. Mr Falkenberg was appointed to the Board on 11 November 2021.

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

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

The Company Secretary is Catherine Stribley, B.Com./LLB (Hons), FGIA, and she was appointed as Company Secretary in April 2017. Ms Stribley first joined the Company in 2010 and has held legal positions in both Australia and the US, including Senior Counsel and Senior Counsel, IP. The Company had appointed Martin Evans ACA, B.Com. as Joint Company Secretary in April 2021 while Ms Stribley was on maternity leave. Mr Evans resigned as Joint Company Secretary on 30th April 2022 upon Ms Stribley's return.

Principal Activities

The activities of Ansell Limited and its subsidiaries ('the Group') principally involve the development, manufacturing and sourcing, distribution and sale of hand and body protection solutions in the industrial and healthcare markets. Ansell operates in two main business segments, Industrial and Healthcare.

Board Areas of Focus

This year the Board and its Committees have undertaken key strategic, governance and oversight activities. The key areas of focus for the Board during FY22 were:

- Company strategy and performance
- Board and management succession
- Oversight of capital management initiatives
- Risk management, governance and compliance
- Environment, Social and Governance (ESG)

Operating and Financial Review

The Operating and Financial Review for the Group for the financial year is set out on pages 18 to 25, 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 26. 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.

Further environmental information will be provided in Ansell's Sustainability Report, due for release in September 2022.

Dividends and Share Issue

The final dividend of US43.60 cents per share (unfranked) in respect of the year ended 30 June 2021 was paid to shareholders on 16 September 2021. An interim dividend of US24.25 cents per share (unfranked) in respect of the half-year ended 31 December 2021 was paid to shareholders on 9 March 2022. A final dividend of US31.20 cents per share (unfranked) in respect of the year ended 30 June 2022 is payable on 15 September 2022 to shareholders registered on 30 August 2022. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2022 and will be recognised in subsequent financial reports. There are no unissued shares under option at the date of this Report.

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:

J A Bevan	32,888^
W P Day[1]	30,559^
L A Desjardins	15,412
M Falkenberg[2]	0
N D Garrard	9,150^
M R Nicolin[3]	404,484^
M T Peterson[1]	23,647^
W G Reilly	51,480
N I Salmon[4]	94,574
C M Stercken	9,063
C Y Yan	6,452

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

Directors' Meetings

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

	Board		Audit and Compliance Committee		Sustainability and Risk Committee		Human Resources Committee		Governance Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
J A Bevan	12	12					5	5	2	2
W P Day[1]	6	6	1	1	1	1			1	1
L Desjardins	12	11	4	4	1	1	3	3	1	1
M Falkenberg[2]	6	6	3	3	3	3				
N D Garrard	12	12			4	4	5	5		
M R Nicolin[3]	3	3								
M T Peterson[1]	6	6	1	1			2	2		
W G Reilly	12	12			4	4	5	5	2	2
N I Salmon[4]	9	9								
C M Stercken	12	12	4	4	4	4				
C Y Yan	12	12	4	4			5	5	2	2

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 11 November 2021. Relevant interests in the share capital of the Company is as at the retirement date.
2. Appointed to the Board on 11 November 2021.
3. Retired as Managing Director and Chief Executive Officer effective 31 August 2021. Relevant interests in the share capital of the Company is as at the retirement date.
4. Appointed as Managing Director and Chief Executive Officer effective 1 September 2021.

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 2022 fiscal year. Rule 61 of Ansell's Constitution also provides an indemnity in favour of officers (including the Directors, Company Secretary and Joint Company Secretary) of the Group against liabilities incurred while acting as such officers to the extent permitted by law. In accordance with the powers set out in the Constitution, the Group maintains a Directors' and Officers' insurance policy. Due to confidentiality obligations and undertakings of the policy, no further details in respect of the premium or the policy can be disclosed.

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 2022 can be found at https://www.ansell.com/sv/en/about-us/sustainability/governance. This statement has been approved by the Board.

Governance Structure

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

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

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

- Audit & 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.

Board Composition and Processes

Ansell is committed to ensuring an appropriate mix of skills, expertise, experience and diversity (including gender diversity) on the Board and its Committees so that the Board can effectively discharge its corporate governance and oversight responsibilities. Refer to the Board Skills Matrix in Ansell's FY22 Corporate Governance Statement.

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

An external review of the Board is also completed every three years. In FY22, the Board engaged a third-party consultant to review the Board and its performance. This review will be completed by the end of FY23.

In FY22, the multi-year Board succession plan was concluded, which saw both the retirement and appointment of several directors, with the Board now comprising of strong corporate knowledge coupled with new skills and thinking to support the long-term strategic direction of the Company.

At the 2021 Annual General Meeting, Mrs Marissa Peterson and Mr Peter Day retired from the Ansell Board after more than 15 and 14 years' service respectively. The Board and management wish to acknowledge and thank Mrs Peterson and Mr Day for their significant contributions made to the Company over their tenure. In addition, Mr Morten Falkenberg was appointed as a Director of the Company. Mr Falkenberg brings considerable skill and experience to the Board.

In June 2021, it was announced that Mr Neil Salmon would succeed Mr Magnus Nicolin as Managing Director & CEO. Mr Salmon's appointment came into effect on 1 September 2021. The Board acknowledges and thanks Mr Nicolin for his significant contribution to the Company over his 11 year tenure.

The Governance Committee will continue to consider the forward skill and experience requirements of the Board.

The Board sets clear targets for gender representation as part of Ansell's broader commitment to diversity and inclusion. Ansell had committed to have women constituting circa 50% of its Board by 2020 and beyond, acknowledging that this may fluctuate from time to time due to the effect of changes on a small group size. In 2019, the Board achieved this target, however recent retirements and appointments has seen a downward shift to a 3/5 Board gender (female/male) balance. The Board remains committed to achieve the circa 50% balance.

Refer to the Ansell Sustainability Report for further information on diversity within the Company, which will be released in September 2022 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 typically meets proxy advisers and Ansell's largest shareholders once or twice per year to discuss governance aspects and proposed developments. The CEO and CFO meet investors post half and full year results. In March 2022, they also hosted a series of investor meetings.

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

The *Australian Modern Slavery Act* was passed in December 2018 and Ansell meets the requirements of this Act. Ansell's FY21 Modern Slavery Statement can be found at www.ansell.com and FY22 Modern Slavery Statement is to be released in November 2022.

Risk Management

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

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

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

Risk is inherent to our business and the effective management of risk is vital to the growth and success of the Company. We continuously seek to identify, measure and monitor the most material risks across our organisation and review our processes to help best ensure that material risks are appropriately identified and escalated through to senior levels of the organisation.

Material Risks – Description and Mitigation Actions

Below is a summary of the key material risks that could impact the achievement of Ansell's business objectives 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. There may be additional risks unknown to Ansell and other risks that are currently believed to be immaterial which could become material.

The Group's process for managing risk is set out in the Corporate Governance Statement.

Risk	Nature of Risk	Mitigation Actions
Global economic, market and geo-political instability and uncertainty	The Group's presence in over 55 countries globally and its growing presence in emerging markets exposes it to geopolitical risks, regulatory risks and other factors beyond its control. These include political and economic instability and uncertainty, war and changes in regulation and legislation such as changes in tariff barriers, trade wars, taxation policies globally and policies to implement or vary sanctions by one country on another. The Group continues to manage the aftermath of COVID-19, including the lingering changes in product demands and the occasional impact on the supply chain of COVID-19 outbreaks. The Group is exposed to inflationary risks in respect to the price of materials and finished goods purchased from its third party suppliers, and labour and energy costs in our own facilities. The Group continues to monitor disruptions related to energy, including availability, cost and energy type.	• Whilst our geographic diversification provides overall protection, we continually monitor the Group's exposure to these risks through our local presence. • Careful monitoring and management of customer credit risk. Enhance credit risk management in place in emerging markets. • Using in-house and external local expertise to advise on matters of country risk. • Implementation and use of more tailored contractual arrangements. • Continued review of inventory and logistic programs to ensure the Group has flexibility to respond to uncertainties. • Continued rebalance of the proportion of product manufactured in house versus outsourced to protect cost and supply of Examination and Single Use products and to ensure optimal use of manufacturing facilities. • The Group actively monitors market conditions to ensure price adjustments can be made when appropriate.
Systems and technology, including cyber security	As a modern business Ansell relies on Information Technology (IT) platforms. Interruption, compromise to or failure of these platforms could affect Ansell's ability to service its customers effectively. The Group is exposed to the risk of network attacks, including the risk of theft of confidential data, fraud committed through cyber means, and has an obligation to adequately protect the data it holds on employees and all stakeholders in compliance with increasingly complex global data protection regulations. The Group is also exposed to the risk of network attacks by malicious outsiders and insiders.	• Modern ERP systems are in place in the largest regions of North America and EMEA. Disaster recovery plans are updated and tested regularly. Roll out of new generation ERP and Supply Chain systems has begun across the Group's manufacturing sites to take advantage of the latest technologies. • The Group has an active cyber risk management program, including vendor risk assessment and remediation, conducting tests on the vulnerability of key systems, monitoring suspicious activity, providing ongoing training to employees on their responsibility for mitigating cyber fraud risk and enhance controls to minimise risk of data exfiltration by insiders. • The Group has implemented new data protection procedures and ensured compliance with European GPDR and other global regulations.

Risk	Nature of Risk	Mitigation Actions
Product quality	As a manufacturer, quality is paramount to the Group and failures in this area can have a significant negative affect on financial results, customer relationships, reputation and brand credibility.	• Continued investment in quality assurance and governance practices, including systematic quality assurance testing during and after the manufacturing and procurement process. • Manufacturing facilities are externally certified to either ISO 9001 or ISO 14001. • Continual monitoring of quality metrics to monitor and correct defective processes before the product is released to the market. • Management and monitoring of customer feedback.
Major incident at a significant manufacturing site or warehouse	The Group has several materially sized manufacturing sites and warehouses. These are vital to the business and financial losses from natural disasters and pandemics, civil or labour unrest, terrorism, major fire or other supply disruptions are possible.	• The Group has Business Continuity Plans in place at all manufacturing sites and major warehouses. • Property Damage insurance including business interruption cover is in place, as well as a political violence insurance cover for all manufacturing sites. • The Group monitors its overall exposure to individual sites and seeks to limit its dependence on any one site through dual sourcing strategies. • Regular risk engineering and safety audits are conducted at each of the Group's manufacturing sites and major warehouses. • Ongoing safety and fire preparedness reviews are conducted with continual investment in upgraded protection systems. • Duplication of key production lines minimises business interruption risk. • Expanding capacity at some of the smaller manufacturing sites. • Investment in a new manufacturing site in India which will have the capacity to produce a wide range of products.
Third party supply interruptions	Ansell relies on supplies of various raw materials and finished goods from a number of third-party suppliers. Significant interruptions or a failure of the supplier to perform can leave Ansell short of a vital raw material or finished product, impacting its ability to fulfil orders. A supplier being placed under a Withhold Release Order from US Customs & Border Protection, or similar enforcement agency in other countries, can impact the Group's ability to fulfil orders.	• Secondary and/or alternate suppliers for key supplies and/or materials. • Rigorous due diligence and contract approval processes to mitigate risks, including continuity of supply. • Continued strategy of vertical integration which reduces dependency on third parties. • Increased audits and inspections of third-party facilities for compliance with Ansell's standards. Increased focus on sustainability standards (including labour standards) of outsourced suppliers. • Financial risks (and liquidity) of suppliers monitored frequently. • Our business partners work with Ansell to provide agreed metrics on their performance. • Implementation of the Supplier Management Framework.

Risk	Nature of Risk	Mitigation Actions
Environment, social and governance (ESG) risks	Failure to comply with social and environmental standards, or poor environmental and social practices in the Group's operations or supply chains, may give rise to reputational, legal and/or market risks. The physical impacts of climate change can compound existing environmental risks (including natural disasters and extreme weather events) to operations, supply chains and markets, and impact on the Group's ability to obtain key inputs or to service customer needs. This may include disruption to upstream suppliers, manufacturing sites, and downstream warehousing and distribution. The economic transition risks associated with climate change may also impact on cost inputs or customer demand preferences.	• Cross-functional Sustainability Council in place for governance, consisting of all ELT members. The Sustainability Council is responsible and accountable for overall implementation of Ansell's sustainability strategy and provides regular updates to the Board. • Labour Rights Committee (LRC) consists of a core group of ELT members who are responsible for the management of labour rights risks for the Group's operations and supply chain. LRC is responsible to review, test and challenge the Group's performance on labour rights and modern slavery management in-depth and provide recommendations to the CEO and broader ELT. • Enforcement of supplier assessments and audits through SEDEX and third party forced labour assessments for transparency and baseline on Human Rights, Environment and Governance. • Continued strong focus on Ansell's Code of Conduct, Values and Leadership Competencies. • Qualitative and quantitative goals established in respect to core social and environmental issues. • Diversity initiatives and inclusion policies underway. • Increased emphasis and focus on sustainability at the Board level, within the remit of the Sustainability and Risk Committee and the Audit and Compliance Committee. • Further developments in the Group's sustainability diligence systems for management of both its operations and supply chain, including implementation of the Labour Standards Management Framework and the Supplier Management Framework. • Continued drive of the Group's sustainability strategy and significant investment in systems and processes. • Incorporating the consideration of climate related impacts into the Risk Management processes, providing a framework for prioritising climate impacts and other emerging risks based on consideration of the likelihood and the impact of potential risks and opportunities. • Full alignment with the recommendation of the Task Force on Climate-related Financials Disclosures. • Undertook climate change scenario analysis for the Group's largest manufacturing sites. GHG emissions, water consumption, zero landfill targets set and followed up on. Completed corporate-level assessment of climate change risk and opportunities across the value chain under different climate change scenarios and undertaking deep-dive analysis of material impacts to quantify financial consequences. Refining metrics and targets to inform strategic decision making and business planning (including product life cycle analysis and initiatives). • The Group publicly committed to achieve Net Zero for its operations by 2040, supported by mid-term target of a 42% reduction in Scope 1 and 2 emissions by 2030, from a FY20 baseline. • The Group publicly committed to water and waste reduction targets – reduce water withdrawals by 35% by the end of FY25 and Zero Waste to Landfill by the end of FY23 at our manufacturing facilities.
Foreign exchange exposure	Around half of the Group's revenues and costs are in currencies other than the US Dollar. With volatile foreign exchange markets, significant changes can occur in foreign exchange rates and result in a significant impact on US Dollar earnings.	• A robust foreign currency management policy is in place (monitored by the Audit and Compliance Committee and the Board). • Ongoing monitoring of currency volatility and forecasts. • Ongoing assessment of impacts to our financial metrics (including EPS and ROCE). • The Group's foreign exchange risks and management strategies are detailed in Note 17 Financial Risk Management of the Group's audited Financial Statements.

Climate Risks

Climate change presents both physical and transitional risks and opportunities for Ansell. To manage the risks, capture opportunities, and support the transition to a low-carbon future, Ansell has established an operational decarbonisation strategy. The strategy will enable us to remain resilient under a range of plausible future scenarios.

Two Board-level committees, the Sustainability & Risk Committee (SRC) and the Audit & Compliance Committee (ACC), support the Board to oversee Ansell's approach to climate change. The SRC and ACC work collaboratively to ensure linkage and alignment between climate-related mitigation activities (SRC) and the Task Force on Climate-related Financial Disclosures (TCFD) and other finance-related disclosures (ACC). For further information on Ansell's sustainability governance refer to Ansell's Sustainability Report, to be released in September 2022.

In FY22, we completed a TCFD quantitative analysis of priority risks and opportunities identified in our FY21 qualitative analysis. The quantification methodology considered the potential financial impacts under high, moderate and low emission scenarios[1] over three time horizons (2030, 2040 and 2050). This included potential changes to revenue and operating expenditure amounts, and long terms assets useful lives. The analysis also considered how the financial impact identified may influence Ansell's financial statements for FY22. The analysis did not identify any new material risks that are expected to affect the assets and liabilities recognised in Ansell's FY22 Financial Statements, see pages 75 to 122.

Table 1: Ansell's priority climate risks and opportunities

Priority transition risks and opportunities	Ansell's strategic response
Risks • Introduction of carbon pricing. • Increased demand for low-carbon products to reduce emissions resulting in loss of competitive advantage if Ansell fails to take action. • Increased climate-related regulatory requirements set by governments. • Increased stakeholder expectations in relation to climate mitigation efforts, resulting in reputational damage if Ansell does not meet stakeholder expectations. **Opportunities** • Increased demand for low-carbon products to reduce emissions resulting in increased revenue through pricing premiums/rising demand. • Improvement in resource recovery and process efficiency. • Demand rises for PPE under a high emissions scenario. The quantitative analysis considered shifts in consumer preferences and market demand, along with impacts to Ansell's operational and capital expenditure as a result of the above transition risks and opportunities.	Key strategic response options identified by Ansell include: • Operational decarbonisation strategy. • Development of low-carbon/carbon neutral products. • Circular economy including recycling and waste to energy. • Communication/marketing of Ansell's climate action.
Priority physical risks and opportunities	**Ansell's strategic response**
Risks • Increased frequency and severity of droughts. • Increased frequency and severity of storms and cyclones. • Increased frequency and severity of flooding events. The quantitative analysis considered impacts on upstream suppliers/raw materials, manufacturing sites, and downstream warehousing and distribution.	Key strategic response options identified by Ansell include: • 30-day safety stock policy to mitigate the impact of disruptions. • Reducing water intensity, increase reuse. • Increasing raw materials and on-site water inventory. • Establishing regular monsoon season planning. • Increasing supply chain agility.

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

KPMG

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

To the Directors of Ansell Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Ansell Limited for the financial year ended 30 June 2022 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

23 August 2022

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Non-audit Services

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

Taxation services	$17,371
Other audit and assurance services	$15,236

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

N I Salmon
Managing Director and Chief Executive Officer

Dated in Melbourne this 23rd day of August 2022.

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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 2022.

I would like to acknowledge and thank my predecessor, Marissa Peterson, for her stewardship and contributions as Chair of the Human Resources Committee (HRC) throughout her tenure with Ansell. Marissa governed the committee in a consistent, fair and transparent manner, ensuring that the Board remained well placed to fulfil its governance responsibilities. These pillars of her stewardship will remain an important part of Ansell's remuneration and governance philosophy.

Just as FY22 saw us refine our remuneration framework (changes of which are discussed below), FY23 also provides the opportunity to continue to improve upon our already sound remuneration and governance practices. For example, we will continue to explore how our framework supports the challenge we set ourselves in furthering the ESG agenda, all whilst continuing to align with and drive sustained long-term growth.

Our Performance

FY22 was a challenging year, with financial performance materially lower than expected, which has been reflected in our results, and our Executive remuneration outcomes for the year. Notwithstanding our financial results, we made significant progress against other key strategic priorities such as our ESG objectives which are aimed at achieving greenhouse gas emission reduction targets, as well as other climate risk mitigation actions.

Organic growth declined by 2.2%, while Adjusted EBIT saw a 27.5% decline (to $245.1m) in comparison to the prior year, reflecting the ongoing external challenges experienced in FY22 because of COVID-19. Increased freight costs and unavoidable production difficulties experienced at both supplier and Ansell sites negatively impacted financial performance, with outcomes further exacerbated by the softening of demand in our Exam/Single Use products following the peak of the pandemic. In addition, a one-off $17m expense was accounted for, reflecting Ansell's decision to cease our Russian commercial and manufacturing operations. The Board has been pleased with the way the team has managed the many and significant challenges, particularly relating to COVID-19 and related supply and demand issues, much of which was not in their direct control.

While financial performance has been disappointing this year, we remain acutely aware of the impacts that the COVID-19 pandemic continues to have on our people, customers and communities across the globe. I remain proud of the way Ansell and our people have continued to conduct themselves in light of these circumstances and commend their ongoing contributions to the global pandemic response.

Remuneration Outcomes

Given the challenges during FY22, the Group Short-Term Incentive (STI) financial measures were not achieved and as a result 70% of the STI payout was forfeited. Therefore, Executives' STI was only assessed against their individual scorecard metrics.

In determining outcomes for Key Management Personnel (KMP), the Board considered both the formulaic outcomes based on performance relative to our predetermined targets as well as a number of other external factors impacting performance.

Noting Ansell's disappointing financial performance, the Board agreed with Mr Salmon's decision to forego his STI payable, despite his strong performance on his individual scorecard metrics. For other Executive KMP, individual STI objectives were rigorously assessed and a prudent evaluation made, resulting in an average achievement of 17% of maximum. Further detail of the STI payable can be found on page 59.

Any FY22 STI outcome will be paid using a combination of cash and equity, with 50% of the award paid in cash, and the other 50% settled in restricted shares with a two-year restriction period. With this approach now being applied to the entire Executive KMP cohort (and not just the CEO as per FY21), there is consistency in our approach and further alignment to the shareholder experience for all our Executives.

The FY20-22 Long-Term Incentive (LTI) plan vesting of 51% of maximum reflects the mixed performance exhibited over the three-year period, including the varied impacts of the COVID-19 pandemic on Ansell and its operating model. EPS Growth (7.2% CAGR) was slightly above the mid-point of achievement (52% of maximum), reflecting the challenging external environment that saw reduced margins, adverse manufacturing plant performance and varied demand for products. Organic Sales Growth (8.9% CAGR) was achieved at maximum, largely attributable to strong sales growth. This exceeds our previous market guidance whether measured considering COVID-19 related impacts or not. The ROCE performance measure was below the threshold, mainly due to lower Adjusted EBIT, as previously discussed. Further detail of LTI outcome can be found on page 62.

No KMP other than Mr Nazareth received a base salary increase in FY22. Following an extensive analysis of the broader market, and considering Ansell's current global context, Mr Nazareth was awarded a 10% increase in base salary, ensuring market competitiveness as well as reflecting his strong performance and ongoing contributions in his role.

As part of our annual review of base fees, taking into consideration market benchmarking analysis and global market trends, Non-Executive Directors, excluding the Chairman, received a $3,500 (2.9%) increase in their Board base fees.

Our New CEO

As announced to the market in June 2021, Mr Salmon was appointed as the new Managing Director (MD) and Chief Executive Officer (CEO) from 1 September 2021. Mr Salmon's base salary is EUR 715,000, reflecting a 24% decrease in comparison to the previous incumbent. Mr Salmon's short and long term opportunities have increased in conjunction with his new role. His STI opportunity now has a target payout of 100% of base salary, and a maximum payout of 150%. This represents a 33% reduction when compared to the maximum STI opportunity of the previous CEO. Mr. Salmon's LTI opportunity now has a target of 140% of base salary and a maximum payout of 280% of base salary. This represents a 22% reduction in the maximum LTI opportunity in comparison to the previous incumbent.

Further information on Mr Salmon's remuneration package can be found in section 4.3 from pages 59 to 65.

CEO Retirement

As was initially announced to the market in 2020, Mr Nicolin stepped down from his role as MD and CEO on 1 September 2021 and retired from the company on 31 December 2021. We would like to extend our sincere gratitude to Mr Nicolin for his contribution and leadership throughout his tenure with Ansell, as well as his willingness to remain as a special adviser to Mr Salmon and the Board, ensuring an orderly transition.

In his time as special adviser, Mr Nicolin continued to receive his contractual entitlements as previously advised. As part of his retirement arrangement, the Board had determined Mr Nicolin to be eligible to participate in the STI scheme for the period in which he remained an employee of the Company. Despite a number of financial and individual metrics being partially or fully achieved, the Board agreed with Mr Nicolin's decision to forego his STI payable, aligning with the decision made by Mr Salmon.

All unvested LTI awards, in respect of grants made in FY20 and FY21 will remain on-foot and are subject to performance vesting for the full performance periods outlined at the time of grant. Determination of performance and any subsequent vesting is to occur in August 2022 and 2023 respectively. Mr Nicolin also received a pro-rated grant in FY22, with pro-ration reflecting the portion of the performance period up to 31 December 2021. This award will also remain on foot for the full performance period with performance testing to occur in 2024.

Further details on this grant can be found in the 'CEO Retirement' section on page 58.

Remuneration Framework Changes

As foreshadowed in last year's Remuneration Report, a number of changes to the remuneration framework were implemented in FY22. The STI has retained its focus on revenue growth and the profitability of our business, while increasing the weighting of functional and individual metrics. This was applied using a balanced scorecard which enables a greater focus on non-financial performance and in particular Ansell's ESG objectives. Additionally, STI opportunities for all Executives have been capped at 150% of target for maximum performance and STI will now be delivered half in cash and half in restricted shares which are subject to a two-year sale restriction. These changes emphasise Ansell's commitment to our sustainable long-term growth agenda and our desire to further align Executives to the experience of our shareholders.

The LTI plan has also been simplified, with the ROCE metric now acting as a gateway to performance (rather than as an additional stand-alone performance hurdle). With the focus now predominantly on just two metrics; EPS (70%) and Organic Sales Growth (30%), there is a greater line of sight for Executives and a more deliberate focus on Ansell's key drivers of growth, being profitability and organic sales generation.

Further details on the remuneration framework can be found in Section 4 of this report from pages 57 to 65.

Looking Ahead

In accordance with the STI and LTI plan rules, the Board has decided that the exit from Russia is considered an adjustable event. Accordingly, the contribution forgone as a result of the exit from Russia, subject to constant currency, will be excluded from the base of financial measures used to evaluate the achievement of all STI and LTI incentive plans to be settled in FY23 and thereafter.

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

Nigel Garrard
Chair of the Human Resources Committee
Ansell Limited

REMUNERATION REPORT

Section 1 – At a Glance

1.1 FY22 Performance

This section is intended to provide a high-level summary of the remuneration outcomes for FY22 for Realised Pay, which is a non-IFRS measure and is defined in Section 9 – Glossary. Further detail is provided on each of these in the ensuing sections of the Remuneration Report.

Highlights

- Ansell delivered sales of $1,952.1m, representing a decline of 3.7% on a reported basis and a decline of 2.0% on a Constant Currency basis. This was mainly due to Exam/Single Use which saw lower pricing and volumes compared with the prior year which benefited from COVID-19 driven demand.
- Adjusted EBIT of $245.1m was delivered in a challenging external environment, representing a 27.5% decline compared to the prior year. EBIT margins declined 410bps to 12.6%. Although SG&A spend was lower, margins were negatively impacted by having to sell high cost Exam/Single Use inventory from outsourced suppliers at lower prices, adverse plant performance and higher freight costs. Careplus joint venture contribution was an $8.5m loss compared with an $8.1m gain in the prior year.
- Organic Sales Growth over the 3-year period from FY20 to FY22 was 29.2% (CAGR 8.9%). This exceeds our previous market guidance whether measured considering COVID-19 related impacts or not.
- EPS Growth over the 3-year period from FY20 to FY22 was 23.3% (CAGR 7.2%). This is slightly above the mid-point of our previous market guidance albeit there were both benefits and challenges from COVID-19 through this period.
- After careful consideration of the impact of external factors, the Board has not applied discretion to the STI and LTI financial measures.
- The STI financial measures of Sales and EBIT growth were both below the threshold and were considered as "missed".
- For LTI financial measures, Organic Sales Growth achieved the maximum outcome, EPS Growth was slightly above the mid-point, whilst ROCE was considered as "missed".

Figure 1.1

The table below outlines Ansell's FY22 Adjusted financial outcomes (excluding Russia Business Disruption and Exit and as disclosed elsewhere in the annual report) that were used as the base to calculate incentive outcomes:

Sales	$1,952.1m
EBIT	$245.1m
EPS	138.6¢
Dividends per share	55.45¢
ROCE	13.3%

Figure 1.2 FY22 STI Financial Metrics and Performance

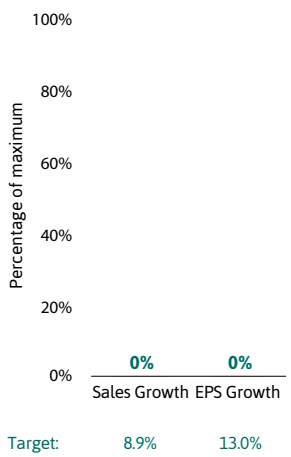
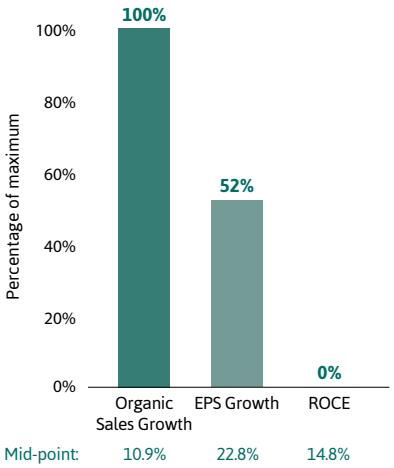


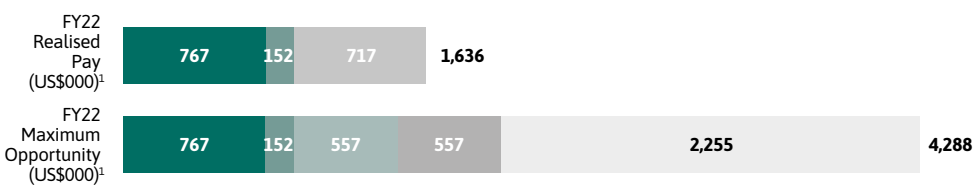
Figure 1.3 FY20-22 LTI Financial Metrics and Performance



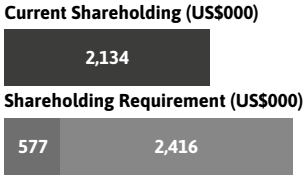
1.2 Executive Realised Pay Summary

The below pay information is on a realised basis, which is a non-IFRS measure and is defined in Section 9 – Glossary.

Neil Salmon – Managing Director & Chief Executive Officer (from 1 September 2021)
Term as KMP: Full Year



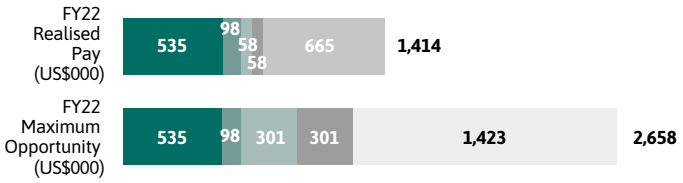
Minimal Shareholding Requirements



300% of Base Salary[2]

1. Mr Salmon's realised pay and maximum opportunities reflect the time spent in the President of IGBU role and Managing Director (MD) and Chief Executive Officer (CEO) role, both of which were held during FY22 (i.e. 2 months as President of IGBU and 10 months as MD and CEO). Noting Ansell's disappointing financial performance, the Board agreed with Mr Salmon's decision to forego his STI payable, despite his strong performance on his individual scorecard metrics.
2. According to Ansell's Mandatory Shareholding Policy (dated August 2021), Mr Salmon is required to establish and maintain a level of share ownership equal to 1 time of his annual fixed remuneration by now (being grandfathered by his previous role as President of IGBU) and 3 times of his annual fixed remuneration before 1 September 2027 as MD and CEO.

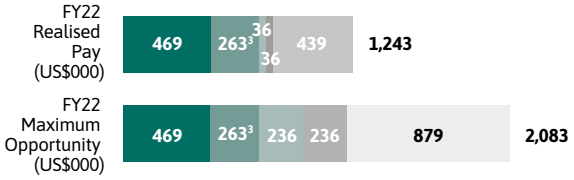
Zubair Javeed – Chief Financial Officer
Term as KMP: Full Year



Minimal Shareholding Requirements

100% of Base Salary

Darryl Nazareth – President of the Healthcare GBU (HGBU)
Term as KMP: Full Year

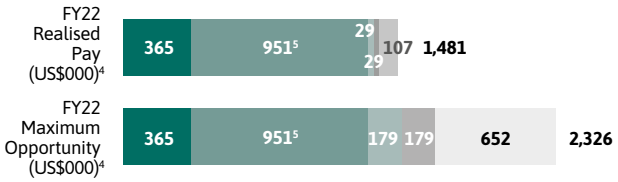


Minimal Shareholding Requirements

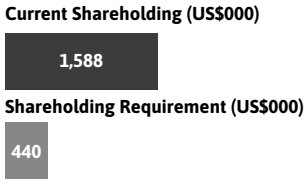
100% of Base Salary

3. Mr Nazareth's other benefits include a retention award and is outlined within section 4.3 on page 64.. The closing share price of Ansell Limited on the ASX was A$22.24 and the foreign exchange rate was A$1:US$0.6879 on 30 June 2022.

Rikard Froberg – President of the Industrial GBU (IGBU)
Term as KMP: 10 months from 1 September 2021



Minimal Shareholding Requirements



100% of Base Salary

4. Mr Froberg's realised pay and maximum opportunities disclosed in this report only relate to the period he was a KMP (i.e. 10 months).
5. In Mr Froberg's previous role as Chief Commercial Officer of EMEA and APAC he relocated to Belgium from the USA. Upon his appointment as President of IGBU he returned to the USA, which exposed Mr Froberg to various complex income tax issues. As a result, Mr Froberg's other benefits includes relocation payments of $206,595 and tax equalisation payments of $631,078 (based on a tax gross up of $1,414,288 for the 12-month period ended 31 December 2021).

Legend Base Salary | Retirement and Other Benefits[6] | STI[7] – Cash | STI[7] – Restricted Shares | Vested LTI[8] (vested share price) | LTI Opportunity[8] (grant share price) | Current Shareholding | Required Shareholding | Shareholding target not yet required

6. Retirement benefits include all retirement benefits earned by the individual in the current financial year. Other benefits include the cost to the Company of cash benefits such as motor vehicle, expatriation and relocation expenses, insurance, tax equalisation, retrospective base salary and other amounts. Retirement and other benefits have been included within maximum opportunity for comparison to realised pay purposes.
7. The STI amounts shown reflect the amount received in FY22. The STI is delivered half in in-year cash, and half as a grant of restricted shares with a two-year restriction period.
8. The vested LTI (FY20-22) represents the US Dollar value of the number of PSRs that vested multiplied by the closing share price of Ansell Limited on the ASX on 15 August 2022, being A$25.80. The LTI opportunity (FY22-24) represents the US$ value of the number of PSRs granted multiplied by the average closing share price of Ansell Limited on the ASX over ninety trading days prior to 17 August 2021, being A$40.62.

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 FY22. 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 Key Management Personnel (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 table below details Ansell's KMP during FY22:

Non-Executive Directors	Location	Role
John A Bevan	Australia	Chairman, Independent Non-Executive Director
W Peter Day[1]	Australia	Independent Non-Executive Director
Leslie A Desjardins	United States	Independent Non-Executive Director
Nigel D Garrard	Australia	Independent Non-Executive Director
Morten Falkenberg[2]	Denmark	Independent Non-Executive Director
Marissa T Peterson[1]	United States	Independent Non-Executive Director
William G Reilly	United States	Independent Non-Executive Director
Christina M Stercken	Germany	Independent Non-Executive Director
Christine Y Yan	United States	Independent Non-Executive Director
Executive Director	**Location**	**Role**
Magnus R Nicolin[3]	Belgium	Managing Director (MD) and Chief Executive Officer (CEO) (until 31 August 2021)
Neil Salmon[4]	Belgium	MD and CEO (from 1 September 2021)
Other Executives	**Location**	**Role**
Zubair Javeed	Belgium	Chief Financial Officer (CFO)
Darryl Nazareth	United States	President of the Healthcare GBU (HGBU)
Rikard Froberg[5]	United States	President of the Industrial GBU (IGBU)

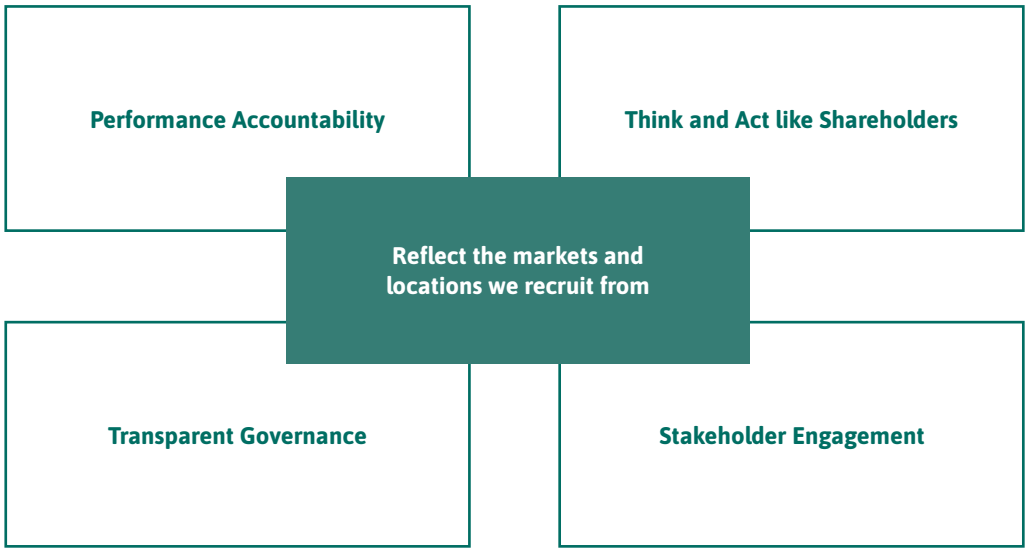
1. Mr Day and Mrs Peterson retired on 11 November 2021. Their remuneration disclosed in this report only relates to the period they were KMP.
2. Mr Falkenberg was appointed as a Non-Executive Director on 11 November 2021. Mr Falkenberg's remuneration disclosed in this report only relates to the period he was a KMP.
3. Mr Nicolin ceased to be MD and CEO, and therefore KMP, on 31 August 2021 and retired on 31 December 2021. Mr Nicolin's remuneration disclosed in this report only relates to the period he was a KMP (i.e. 2 months).
4. Mr Salmon was previously the President of the Industrial GBU until his appointment as MD and CEO on 1 September 2021. Mr Salmon's remuneration disclosed in this report has been apportioned to reflect the time spent in each role, being 2 months as President of IGBU and 10 months as MD and CEO.
5. Mr Froberg was previously the Chief Commercial Officer of EMEA and APAC until his appointment to his new role as President of the Industrial GBU. Mr Froberg became a KMP on 1 September 2021 and his remuneration disclosed in this report only relates to the period he was a KMP (i.e. 10 months).

Section 3 – Remuneration Policy

3.1 Philosophy and Strategy

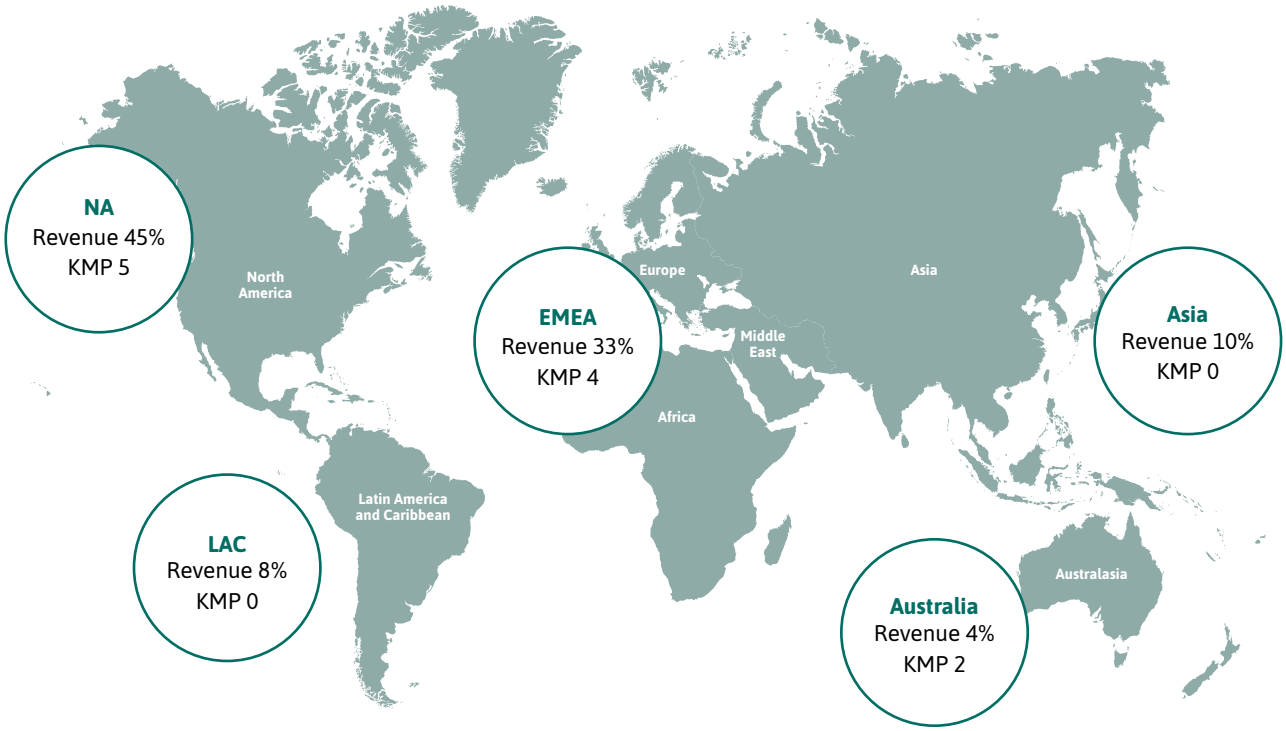
The Board's remuneration philosophy links the achievement of our strategic objectives and corporate plans with appropriate and measured rewards for the Company's Executives.

Our governing principles are summarised below:



Even though Ansell is listed on the Australian Stock Exchange, staff are located in approximately 55+ worldwide locations, with the KMP based in Belgium and other European countries, USA and Australia.

Figure 3.1



3.2 Remuneration Framework Components

As foreshadowed in last year's Remuneration Report, a review of remuneration practices was performed with a number of changes to the remuneration framework being implemented in FY22. Our Executive remuneration framework consists of the following components:

Figure 3.2

Component	Operation and Performance Measure	Strategic Objective/ Performance Link
Fixed Annual Remuneration (FAR) Base salary plus retirement and other benefits. Pay mix[1] FAR: 45% – 59%[2] Remuneration delivery timeline: 1 year	Takes into account: • responsibilities, qualifications, experience; and • performance, location and market rate for a comparable role.	• Attract, engage and retain talented Executives. • Consider, but not be constrained by, relevant benchmarks. • Increases are linked to individual performance, the organisation he/she leads and indirectly the overall business.
+		
STI Half in cash and half in restricted shares[3]. Pay mix[1] STI: 0% – 8%[2] Remuneration delivery timeline: 1-3 years[3]	• Combination of financial and non-financial performance metrics. • Performance weighted more towards financial KPIs (i.e. not less than 70% of the award).	• Aligned with the Group's short-term objectives. • Clear line of sight for participants. • Deferral of 50% of the award in restricted shares encourages longer-term sustainable performance.
+		
LTI Rights to receive fully paid ordinary shares subject to performance. Pay mix[1] LTI: 35% – 47%[2] Remuneration delivery timeline: 3 years	• Three-year performance and vesting period. • Combination of key financial and shareholder value measures.	• Reflects key long-term priorities of the business at the time. • Relevant indicator of shareholder value creation as previously committed to the market. • Suitable line of sight for participants to encourage and motivate executive performance.
=		
Total Remuneration	• Attract, retain and motivate highly capable Executives. • Reinforce short and long-term objectives. • Alignment with shareholder value. • Deliver sustainable growth.	

1. Pay mix is calculated based on the remuneration information as per Section 4.1 – Realised Pay Summary.
2. Excludes Mr Nicolin and Mr Froberg. Mr Froberg's realised FY20-22 LTI information disclosed in this report only relates to the period from 1 September 2021 (i.e. 10 months after becoming a KMP). If Mr Froberg's information is included, the pay mix for FY22 changes to FAR: 45% to 89%, STI: 0% to 8%, and LTI: 7% to 47%.
3. The restriction on shares issued for half of the STI payable will see the shares held for a minimum period of two years from when the shares are vested.

Section 4 – FY22 Remuneration Framework in Detail and Outcomes

This section uses non-IFRS financial information to detail realised pay earned by Executive KMPs during FY22, 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 FY22. It also includes the full value of incentive payments earned in relation to the FY22 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 US based Executive KMPs and the former CEO are paid in US$. For non-US based Executive KMPs, the reported numbers in the statutory and realised pay tables are subject to currency translation differences from year to year.

4.1 Realised Pay Summary (US$)

					STI[4]		LTI[5]	
Executives	**Year**	**Base Salary[1]**	**Retirement Benefits[2]**	**Other Benefits[3]**	**Cash**	**Restricted Shares**	**Equity**	**Total Earnings**
CEO								
Neil Salmon[6]	**2022**	**767,268**	**111,019**	**41,381**	**-**	**-**	**717,061**	**1,636,729**
	2021	610,881	68,209	33,107	458,161	235,953	2,540,449	3,946,760
Other Executives								
Zubair Javeed[7]	**2022**	**535,016**	**59,430**	**38,506**	**58,183**	**58,183**	**664,991**	**1,414,309**
	2021	566,522	62,930	1,695,032	424,892	263,432	–	3,012,808
Darryl Nazareth[8]	**2022**	**468,936**	**113,635**	**149,717**	**36,148**	**36,148**	**438,497**	**1,243,081**
	2021	439,627	94,646	27,101	285,758	148,593	794,890	1,790,615
Rikard Froberg[9]	**2022**	**364,645**	**87,075**	**864,842**	**28,600**	**28,600**	**107,392**	**1,481,154**
Former Executive								
Magnus R Nicolin[10]	**2022**	**177,667**	**17,297**	**21,622**	**–**	**–**	**1,382,248**	**1,598,834**
	2021	1,066,000	522,493	142,214	968,394	968,394	5,490,068	9,157,563

1. Base salary includes the salary earned by the individual in the financial year. Mr Javeed did not receive a pay increase in FY22 and as he is remunerated in Euros, any US$ movement above reflects foreign exchange conversion impacts. Refer to page 59 for further information.
2. Retirement benefits include all the retirement benefits earned by the individual in the current year. Mr Nicolin's retirement benefits are based on his base salary plus prior year STI achievement and will consequently vary from year to year.
3. Other benefits include the cost to the Company of benefits such as motor vehicle, expatriation and relocation expenses, insurance, expat tax equalisation payments, retrospective base salary and other amounts.

   Mr Nazareth's 2022 other benefits include a retention award and is outlined within section 4.3 on page 64.. The closing share price of Ansell Limited on the ASX was A$22.24 and the foreign exchange rate was A$1:US$0.6879 on 30 June 2022.

   Mr Javeed's 2021 other benefits include his Performance Share Rights (PSRs) sign-on bonus of $1,652,649. Mr Javeed joined the Company after the FY19-FY21 LTI Plan was granted. 50,000 PSRs were granted on 29 April 2019 as a sign-on bonus and vested on 29 April 2021. The closing share price of Ansell Limited on the ASX was A$42.43 and the foreign exchange rate was A$1:US$0.7790 on 29 April 2021.

   In Mr Froberg's previous role as Chief Commercial officer of EMEA and APAC he relocated to Belgium from the USA. Upon his appointment as President of IGBU he returned to the USA, which exposed Mr Froberg to various complex income tax issues. As a result, Mr Froberg's other benefits includes relocation payments of $206,595 and tax equalisation payments of $631,078 (based on a tax gross up of $1,414,288 for the 12-month period ended 31 December 2021).
4. 2022 and 2021 STI represent amounts payable under the FY22 and FY21 STI Plans respectively. In 2022, the STI was delivered half in in-year cash, and half in restricted shares, subject to a two year sale restriction. In 2021, any STI payable above target to Executives was deferred for 2 years in the form of restricted shares and Mr Nicolin's was delivered half in in-year cash and half as a grant of restricted shares, subject to a two-year sale restriction. The amounts shown in the table above are pre-tax and the number of restricted shares issued is calculated based on a post-tax STI award basis.
5. 2022 and 2021 LTI relate to the FY20 and FY19 grants, outcomes of which were approved by the HRC on 15 August 2022 and 17 August 2021 respectively. The FY20 award was determined to be 51% of the maximum award (FY19 award: 91%). The 2022 equity figure represents the US$ value of the number of PSRs that have vested multiplied by the closing share price of Ansell Limited on the ASX on 15 August 2022, being A$25.80 (2021: 17 August 2021 at A$40.55). This was the date on which the HRC approved the vesting of the shares. The 2022 translation to US$ used a foreign exchange rate of A$1:US$0.7022 (2021: A$1:US$0.7338).
6. Mr Salmon was previously the President of the IGBU until his appointment as MD and CEO on 1 September 2021. Mr Salmon's 2022 remuneration reflects the amounts earned in both roles. Noting Ansell's disappointing financial performance, the Board agreed with Mr Salmon's decision to forego his STI payable, despite his strong performance on his individual scorecard metrics.
7. Mr Javeed's 2021 LTI is nil as Mr Javeed joined the Company after the FY19-21 LTI Plan was granted.
8. Mr Nazareth was appointed President of the HGBU and became a KMP from 1 April 2019. Mr Nazareth's 2021 realised FY19-21 LTI remuneration disclosed in this report only relates to the period after 1 April 2019 (i.e. 27 months after becoming a KMP).
9. Mr Froberg was appointed President of the IGBU and became a KMP from 1 September 2021. Mr Froberg's 2022 pay disclosed in this report only relates to the period he was KMP (i.e. 10 months).
10. Mr Nicolin ceased to be MD and CEO, and therefore a KMP, on 31 August 2021. Mr Nicolin's 2022 remuneration disclosed in this report only relates to the period he was a KMP (i.e. 2 months). Mr Nicolin's realised FY20-22 LTI information disclosed in this report only relates to the period up to 31 August 2021 (i.e. 26 months of being a KMP).

4.2 CEO Retirement

Mr Nicolin stepped down from his role as Managing Director and Chief Executive Officer (CEO) on 31 August 2021, and retired from the company on 31 December 2021. During the interim period between these dates, Mr Nicolin served as a Special Adviser to the Ansell Board and to the current Managing Director and CEO. While acting in the capacity of Special Adviser, Mr Nicolin continued to receive base salary, retirement benefits, statutory leave benefits and other applicable benefits, up until the date of his retirement.

At the time of his departure the Board determined Mr Nicolin to be eligible to participate in the STI scheme for the period up to 31 December 2021. Despite a number of financial and individual metrics being partially or fully achieved, the Board agreed with Mr Nicolin's decision to forego his STI payable, aligning with the decision made by the current CEO.

As approved at the FY21 Annual General Meeting held on 11 November 2021, all unvested LTI awards, in respect of grants made to Mr Nicolin in FY20 and FY21 will remain on-foot upon retirement. Outcomes of such awards are subject to performance testing for the full performance periods outlined at the time of grant, with vesting to occur in August 2022 and August 2023 respectively.

Also approved at the FY21 Annual General Meeting, a grant of performance share rights was made to Mr Nicolin under the terms of his retirement. The value of the grant has been pro-rated to be commensurate with the time he was an employee, being 6 months of the 36-month performance period (one sixth). 20,732 rights were granted to Mr Nicolin under the LTI, reflecting one sixth of his LTI opportunity in his role as Special Adviser. Consistent with the grants made in FY20 and FY21, these rights will remain on-foot for the duration of the performance period.

The vesting of any on-foot awards will be determined by the HRC at the relevant time, as outlined in the offer document for each relevant grant. Vesting of these awards occurs only if the associated performance conditions are met and are subject to the HRC's ability to alter vesting outcomes through its overarching discretion, as described in the LTI offer document for each respective grant.

4.3 Remuneration Framework Details

Fixed Annual Remuneration

Our fixed remuneration practices are reviewed regularly to ensure that they continue to reflect the scale and complexity of Ansell and its operations. Fixed remuneration is maintained with the global market in mind to ensure that we continue to attract, motivate and retain a talented and truly diverse global workforce.

There were no policy changes to any element of Fixed Remuneration in FY22.

Base salary

Base salaries are reviewed annually. In conducting this review, the HRC considers a number of factors to ensure decision making processes are suitably robust. Factors considered include market benchmarking analysis, internal relativities, changes in scope of responsibilities, local market trends and the wider macro-economic environment.

The base salaries for the Executive KMPs for FY22 were:

Figure 4.3

Executives	Base Salary	Increase
Neil Salmon[1]	€715,000 (USD equivalent $805,340)	n/a
Zubair Javeed	€475,000 (USD equivalent $535,016)	–
Darryl Nazareth[2]	$483,590	10%
Rikard Froberg[3]	$440,000	n/a
Former Executive		
Magnus R Nicolin	$1,066,000	–

1. Mr Salmon's base salary reflects his appointment as Managing Director & CEO on 1 September 2021.
2. Mr Nazareth received a 10% increase in salary driven by the market benchmarking analysis.
3. Mr Froberg was appointed President of the IGBU and became a KMP from 1 September 2021. He was not considered a KMP during the pay review process.

Retirement benefits

Includes contributions to US benefit or non-qualified pension plans and Belgian retirement savings plans (as applicable).

Other benefits

May vary between Executives, depending on their local market and their particular circumstances. May include benefits such as motor vehicle, Executive expatriation/repatriation and relocation allowances, Executive insurance, expatriate tax equalisation payments and other amounts.

Reflects the Company's overall policy on international mobility.

Short Term Incentive (STI)

FY22 STI Details

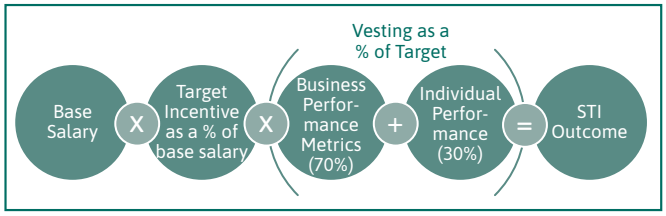
The STI plan focuses on rewarding annual performance against both group and individual objectives, enabling differentiated and genuinely variable pay outcomes that are commensurate with Ansell's performance.

Our STI scorecard focuses on our key financial drivers of success, while also affording the flexibility to recognise function-specific objectives and non-financial performance, to further differentiate outcomes amongst our leaders.

There have been a number of changes made to the STI plan for FY22, all of which have been presented in detail in this section.

Eligibility to participate in the STI plan is determined at the discretion of the Board. For FY22, all Executives were eligible to participate in the STI plan.

The STI plan is an annual award, payable part in cash and part in restricted shares. Half of the awards received will be deferred into restricted shares, with the restriction period requiring the shares be held for a minimum period of two years from when the shares are granted. The number of restricted shares granted are calculated based on a post-tax STI award basis.



FY22 STI opportunity

Figure 4.4

Executives[3]	Target STI as a % of base salary	Business Performance Metrics Vesting as a % of Target: Threshold[1]	Maximum
Neil Salmon[2]	100%	40%	150%
Zubair Javeed	75%	40%	150%
Darryl Nazareth	65%	40%	150%
Rikard Froberg	65%	40%	150%

1. If a business performance metric does not meet its threshold hurdle, 0% will vest for that performance measure.
2. Mr Salmon's STI target is reflective of his current role as MD and CEO. Mr Salmon's STI target was 75% in his previous role as President of IGBU before 1 September 2021.
3. Mr Nicolin's maximum STI opportunity remained at 225% of base salary, with any payment pro-rated for the period up to 31 December 2021. Refer to section 4.2 for further information.

FY22 STI performance measures

STI metrics emphasise top and bottom-line growth. Individual objectives provide for recognition of individual contribution and subsequent differentiation, as measured through a functional and individual scorecard, including non-financial and ESG goals per our corporate sustainability agenda.

Ansell's target setting process considers prior fiscal year performance, incremental growth returns on committed significant investments as well excluding any previous discretionary adjustments to outcomes made for the purpose of remuneration.

In reviewing the formulaic method presented on page 60, the Board compared the proposed targets against their performance expectations of the business. This process ensures all targets set are suitably challenging and aligned to Ansell's overall strategic direction.

The metrics for each Executive in FY22 are listed below:

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

Former Executive	Sales	EBIT	Cash Conver-sion	Profit Attribut-able	Individual Objectives	Total
Magnus Nicolin[1]	25%	50%	10%	5%	10%	100%

1. The HRC, in its discretion, determined that Mr Nicolin be eligible to participate in the STI plan for FY22, with the structure and metrics of this plan being consistent with the prior year.

Target	Target Setting Methodology
Sales Growth	The target starting point assumed 1.5X GDP growth in markets weighted for Industrial and Healthcare. FY22 targets also factored in COVID-19 related sales price and volume increases particularly in relation to Exam/Single Use products.
EBIT Growth	The target assumed costs increased below the rate of sales growth to target a higher EBIT growth. The FY22 target also considered the impacts of COVID-19, with increased product cost largely offset by the increase in sales price.
Individual Metrics	The individual metrics are measured through a scorecard approach which for FY22 included a common ESG objective (10% weight), functional area goals which could be financial or non-financial in nature (10% weight) and individual objectives (10% weight).

FY22 STI outcomes

In determining the STI outcomes for FY22, the formulaic outcomes of each measure were assessed, followed by a qualitative assessment of performance by the Board.

The Board considered various external factors which impacted performance, notably ongoing COVID-19 and Omicron variant disruptions which impacted labour availability and resulted in unplanned plant shutdowns and production restrictions, significant inflationary movements, political instability and conflicts in Russia/Ukraine and Sri Lanka, as well as continued supply chain disruptions and increases in supply chain costs. After consideration of these factors, the Board determined that the financial metrics would not be subject to any discretionary adjustment.

Noting Ansell's disappointing financial performance, the Board agreed with Mr Salmon's decision to forego his STI payable, despite his strong performance on his individual scorecard metrics. The Board also agreed with Mr Nicolin's decision to forego his STI payable, aligning with the decision made by the current CEO, despite a number of financial and individual metrics being partially or fully achieved. For other Executive KMP a moderate individual STI award was approved. Refer to Figure 4.5 for detail.

Neither financial metric used in the KMP STI plan was achieved, which has been summarised as follows:

- Sales growth was not achieved, despite delivering $1,952.1m for FY22 sales declined mainly due to Exam/Single Use which saw lower pricing and volumes compared with the prior year.
- EBIT growth was not achieved due to EBIT declining. Although selling, general and administration spend was lower, margins were negatively impacted by having to sell high cost Exam/Single Use inventory from outsourced suppliers at lower prices, adverse plant performance and higher freight costs. The Careplus joint venture also contributed an $8.5m loss.

Consistent with past practice, the impact of FX volatility on the financial results in FY22 have been adjusted via the Group's constant currency target-setting and measuring process.

Achievement against individual metrics have been summarised as follows:

Executives	Performance Against Individual Objectives
Neil Salmon	Mr Salmon assumed the role of CEO on 1 September 2021. Performance in the first 9 months has been focused on resolving a number of short term priorities as well as setting the course for the longer term evolution of the Company. A focus on stabilising ongoing COVID-19 and associated supply chain disruptions, together with the economic issues facing Sri Lanka and the war in Ukraine, Mr Salmon has made solid progress on ensuring continued stability of our operations and workforce. A refocus of the organisation on short to medium term delivery to customers has delivered some early improvements, partially reflected in the improved cash performance in the second half of the year. Good progress made on key longer term aspirations of the organisation, including making commitments for reductions in the company's carbon footprint as well as announcing a number of growth initiatives including a substantial greenfield manufacturing facility in India. A challenging year but a very good start for Mr Salmon in role.
Zubair Javeed	Mr Javeed has been with the group for just over three years and has delivered strongly effective management of financial levers including interest and tax. Whilst cash conversion was behind target overall, he oversaw a series of initiatives to achieve substantial improvement in the second half of FY22. He has continued to drive finance functional excellence and he assumed significant additional responsibilities at the mid-year to drive end to end Integrated Business Planning and assumed leadership of the digitisation of supply chain process and tools. For ESG, he co-developed the road map to Net Zero and to enable TCFD reporting and the wider stakeholder communication strategy.
Darryl Nazareth	Mr Nazareth has completed his third full year in role and has continued to drive strong growth in Life Sciences and Surgical verticals. Financial achievements were behind target due to the speed of change in supply and demand dynamics for Exam/Single Use at the start of the fiscal year, due to the ongoing COVID-19 impacts and a volatile set of market conditions. Significant success in surgical and Life Sciences portfolios, including progressing long-term investment plans was not sufficient to overcome the Exam/Single Use shortfall in full. For ESG, he has continued the focus on product innovation and delivered new products to market with proven sustainability benefits, including the launch of an end of life alternative pilot.
Rikard Froberg	Mr Froberg has been in role for approaching one year and he has rapidly assimilated in to the IGBU role. Continued demand volatility due to ongoing COVID-19 impacts meant that financial targets were missed, however, he made solid progress against key strategic initiatives including connected PPE investments, e-commerce growth and India market growth. For ESG, he introduced R&D initiatives targeted at new technologies including new materials with sustainability benefits, including a new product launch together with a key packaging initiative with proven environmental benefits.
Former Executive	
Magnus Nicolin	Mr Nicolin provided clear transition leadership as CEO for the first two months of FY22, and thereafter ensured a smooth transition of CEO leadership to Mr Salmon. He remained in role until 31 December 2021 as Special Adviser to Management and the Board on key matters especially in relation to Innovation and Strategy, discharging his duties with diligence and continued passion.

For the FY22 STI, the Board approved the following payments to the Executives (US$):

Figure 4.5

	STI Outcome Attributable to		Total STI Payable		STI Payment Method[2]		
Executives	**Financial**	**Individual**	**Total**	**% Award Achieved[3]**	**Cash**	**Restricted Shares**	**% Forfeited[3]**
Neil Salmon[1]	-	-	-	-	-	-	100%
Zubair Javeed	-	116,366	116,366	19%	58,183	58,183	81%
Darryl Nazareth	-	72,296	72,296	15%	36,148	36,148	85%
Rikard Froberg[4]	-	57,200	57,200	16%	28,600	28,600	84%

1. Noting Ansell's disappointing financial performance, the Board agreed with Mr Salmon's decision to forego his STI payable, despite his strong performance on his individual scorecard metrics. The Board also agreed with Mr Nicolin's decision to forego his STI payable, aligning with the decision made by the current CEO, despite a number of financial and individual metrics being partially or fully achieved.
2. Any STI payable will be delivered half in in-year cash, and half as a grant of restricted shares, subject to a two-year sale restriction. The amounts shown in the table are pre-tax and the number of restricted shares granted is calculated based on a post-tax basis.
3. All outcomes are expressed as a percentage of maximum.
4. Mr Froberg's outcomes have been pro-rated based on his time as KMP, being 10 months as President of the IGBU.

Long Term Incentive (LTI)

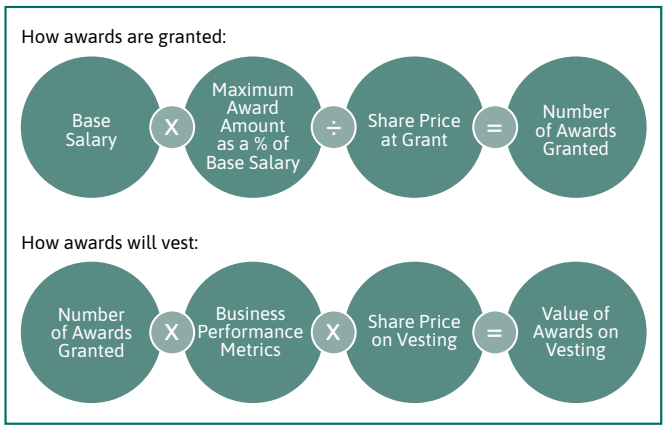
The LTI plan intends to drive an appropriate focus towards our long-term strategic priorities and the sustainable growth of the business, while also ensuring Executives remain motivated to consistently deliver strong performance outcomes.

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

LTI awards discussed in this section are:

- FY22-FY24 LTI Plan: LTI awards granted during the year (unvested by FY22)
- FY20-FY22 LTI Plan: LTI awards vesting in FY22

LTI awards are awarded entirely in the form of PSRs at face value. Eligibility is determined at the discretion of the Board. For FY22, all Executives were deemed eligible and invited to participate in the LTI Plan.



FY22-FY24 LTI Plan Opportunity

Figure 4.6

Executives[2]	Maximum LTI Award as a % of base salary	Business Performance Metrics Vesting as a % of Maximum Award: Minimum[1]	Business Performance Metrics Vesting as a % of Maximum Award: Maximum
Neil Salmon	280%	0%	100%
Zubair Javeed	250%	0%	100%
Darryl Nazareth	200%	0%	100%
Rikard Froberg	200%	0%	100%

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 Nicolin's maximum LTI opportunity remained as 360% and was pro-rated for the period that he remained an employee of the company, being 6 months of a possible 36 months of the FY22-24 LTI performance period. Refer to section 4.2 for further information.

FY22-FY24 LTI Plan Performance Metrics

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 FY22 operations at constant currency.

The Board evaluated these performance metrics against the strategic objectives of the company and considered these measures to be appropriate. The performance measures for the FY22–FY24 Plan awards are:

Performance Measure and Weighting	Weighting	Minimum Hurdle (0% Vesting)	Maximum Hurdle (100% Vesting)
Return on Capital Employed (ROCE)	Gateway	12.5% simple 3-year average	
EPS growth	70%	12.5% growth by year three (= 4% Compound Annual Growth Rate – CAGR)	33.1% growth by year three (= 10% CAGR)
Organic Sales Growth	30%	9.3% growth by year three (= 3% CAGR)	19.1% growth by year three (= 6% CAGR)

Ansell's LTI is designed to align the remuneration of the Executives to the long-term business strategy and shareholder value creation model.

In reviewing the formulaic method presented above, the Board compared the proposed targets against their performance expectations of the business. This process ensures all targets set are suitably challenging and aligned to Ansell's overall strategic direction.

FY20-FY22 LTI Plan Performance Outcomes

The Board considered various external factors which impacted performance, notably ongoing COVID-19 and Omicron variant disruptions which impacted labour availability and resulted in unplanned plant shutdowns and production restrictions, significant inflationary movements, political instability and conflicts in Russia/Ukraine and Sri Lanka, as well as continued supply chain disruptions and increases in supply chain costs. The Board also noted that Organic Sales Growth is above previous market guidance whether measured considering COVID-19 related impacts or not and EPS Growth is slightly above the mid-point of our previous market guidance albeit there were both benefits and challenges from COVID-19. After consideration of these factors, the Board believed the LTI outcomes were fair and reflective of management and the Group's performance over the performance period and therefore, on this occasion, determined that the formulaic LTI assessment delivered an appropriate and fair outcome.

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

Performance measure and weighting	Weighting	Minimum (0% vesting)	Maximum (100% vesting)	Actual	Vesting (% of Maximum)
EPS Growth (also subject to year 3 ROCE gateway of 13.5%)	33.3%	12.5% growth by year 3 (4% Compound Annual Growth Rate – CAGR)	33.1% growth by year 3 (10% CAGR)	23.3% (7.2% CAGR)	52%
Organic Sales Growth	33.3%	6.1% growth by year 3 (2% CAGR)	15.8% growth by year 3 (5% CAGR)	29.2% (8.9% CAGR)	100%
ROCE	33.4%	14% in year 3	15.5% in year 3	13.7%	0%
Overall	**100%**	**n/a**	**n/a**	**n/a**	**51%**

The FY20-FY22 achievement was therefore 51% of Maximum on a combined basis. The breakdown of the numbers are explained further in the following sections.

FY20-FY22 Organic Sales Growth

Organic Sales Growth achieved the maximum and was driven by sales growth, particularly in Exam/Single Use, whether measured considering COVID-19 related impacts or not. The pricing benefit of Exam/Single Use products seen in FY21 was partially offset by its decline in FY22. Consistent with past practice, Organic Sales Growth is calculated as a 3-year compound annualised sales growth on a constant currency basis after excluding the impact of acquisitions effective during the base year, being Digitcare on 31 October 2018 and Ringers Gloves on 1 February 2019.

FY20-FY22 EPS growth

The Board assessed the 3-year adjusted EPS growth relevant for incentive purposes as 23.3%, with a reconciliation from statutory EPS for each year shown below:

US cents	FY19	FY20	FY21	FY22
Statutory EPS	**82.6**	**120.2**	**192.2**	**125.2**
Reported adjustments	28.9	–	–	**13.4**
Statutory EPS excluding reported adjustments	**111.5**	**120.2**	**192.2**	**138.6**
FX gain adjustment	(4.2)	(0.9)	10.0	**(10.0)**
FY18 Transformation Program amortisation[1]	(1.2)	(1.2)	(1.1)	**–**
FY19 Transformation Program amortisation[1]	–	(7.7)	(7.7)	**(7.7)**
FY21 cloud computing accounting change[2]	–	1.6	1.7	**2.0**
Other Board approved adjustments[3]	(0.8)	(3.2)	–	**–**
Adjusted EPS for LTI award	**105.3**	**108.8**	**195.1**	**122.9**
Constant currency	(12.3)	13.1	(8.6)	**n/a**
Base for next year's growth	**93.1**	**121.9**	**186.5**	**122.9**
Growth % each year		16.9%	60.0%	**(34.1%)**
3-year growth		**16.9%**	**87.1%**	**23.3%**

1. In keeping with past practice, an amortised portion of the one-time Transformation Program costs previously excluded from the calculation of the LTI awards has been included. The amortisation adjustment impacts were explained in detail in the FY18 and FY19 Remuneration Reports respectively.
2. In keeping with past practice, the impact from change in accounting policy was excluded from the EPS growth calculation (FY21: 1.7 cents) ensuring financial information on a consistent accounting basis as that of the grant year. As such, the effects of the FY22 change in accounting policy (IFRIC Agenda Decision – cloud computing) were excluded from the EPS growth calculation. The detail was explained at Note 1 Summary of Significant Accounting Policies of the Group's audited FY21 Financial Statements.
3. Individually immaterial one-time adjustments approved by the Board.

FY22 ROCE

Whilst FY22 ROCE of 13.7% exceeded the 13.5% gateway threshold, it missed the 3-year performance measure. The outcome was mainly due to lower Adjusted EBIT from having to sell high cost Exam/Single Use inventory from outsourced suppliers at lower prices, adverse plant performance and higher freight costs, offset by lower selling, general and administration spend.

Adjusted EBIT divided by the average capital employed results in ROCE of 13.3%. In keeping with past practice, the ROCE was calculated by using financial information on a consistent accounting basis as that of the grant year. As such, both the effects of AASB 16 *Leases* and the effects of the FY21 change in accounting policy (IFRIC Agenda Decision – cloud computing) were excluded from the ROCE calculation. The effect of both of these adjustments on ROCE were 30bps and 10bps increases, respectively, resulting in a ROCE of 13.7%. See Note 1 Summary of Significant Accounting Policies and Note 10 Leases of the Group's FY21 audited Financial Statements.

FY20-FY22 LTI Plan Vesting Outcomes for KMP

Figure 4.9

Executives	Date Award Granted	Maximum Value of PSRs Granted (US$)	Number of PSRs Vested (Shares)	Number of PSRs Forfeited (Shares)
Neil Salmon	7/08/2019	1,437,659	39,580	38,308
Zubair Javeed	7/08/2019	1,333,263	36,706	35,526
Darryl Nazareth	7/08/2019	879,254	24,204	23,426
Rikard Froberg[1]	7/08/2019	215,334	5,928	5,737
Former Executive				
Magnus Nicolin[2]	7/08/2019	2,771,600	76,297	73,845

1. Mr Froberg was appointed President of the IGBU and became a KMP from 1 September 2021. Mr Froberg's LTI pursuant to FY20-FY22 LTI plan disclosed in this report only relates to the period from 1 September 2021 (i.e. 10 months after becoming a KMP).
2. Mr Nicolin ceased to be MD and CEO, and therefore KMP, on 31 August 2021. Mr Nicolin's LTI pursuant to FY20-FY22 LTI plan disclosed in this report only relates to the period he was a KMP (i.e. 26 months).

One-off Award made in FY22

As part of the FY22 performance planning process, the Board approved a special grant in the FY22 Ansell Limited Long-Term Incentive Plan to Mr Javeed and Mr Nazareth. The Board believes this one-off retention equity award is designed to:

- Recognise the importance of Mr Javeed and Mr Nazareth to the leadership of Ansell;
- Maintain the stability of our Executive Leadership Team during the CEO succession process and in a competitive employment market, to ensure the execution of the Group's strategic growth initiatives; and
- Provide further alignment with our investors from the increase in potential shareholding.

This one-off award was granted on 1 July 2021 and was issued in the form of Restricted Stock Units (RSUs). The RSUs are only subject to continued employment and will vest if Mr Javeed and Mr Nazareth are employed on the vesting dates. The number of RSUs granted to Mr Javeed and Mr Nazareth were calculated by referencing Ansell's average closing share price over the ninety trading days prior to 1 July 2021 and are equivalent to their FY21 annual base salary. The table below provides an overview of the special grant. The special grant is reported within other benefits.

Executive	Grant date	Number of RSUs granted	Vesting date
Zubair Javeed	1 July 2021	20,000	30 June 2023
Darryl Nazareth	1 July 2021	15,400	50% at 30 June 2022 50% at 30 June 2023

Other policy matters

Board discretion on adjustments

a. The Board and the HRC, retains the ability to make discretionary adjustments to all elements of remuneration. This ability extends to the application of upward or downward discretion, as well as the use of malus and clawback on incentive outcomes. The recovery and withholding provisions are consistent across both the STI and LTI plans. The Board can claw back and apply malus to incentives to cover the following events:

   1. Material misstatement of the financial statements
   2. Misconduct
   3. Error in calculation of the performance condition
   4. Serious reputational damage to the Group
   5. Any other instance or practice which the Board deems to have had a detrimental impact on the Group, its performance, employees or shareholders.

b. In line with the ability to apply discretion, the Board applies a robust process for decision making which is guided by a set of predetermined adjustment principles in the Board-approved Discretion Policy. This policy ensures that regular consideration is given to the application of discretionary adjustments, and that in events where discretion is deemed unnecessary, there is a sound rationale for such treatment.

c. The overarching objective of the Discretion Policy is to ensure that any Board discretion adjustments are fair and reasonable and make the performance condition not more nor less difficult to achieve than if the triggering event had not occurred, and to continue to drive the right outcomes and expected behaviours (i.e. sustainable profitable growth).

d. The robust assessment principles contained in the Discretion Policy are:

   1. Focused on materiality. In other words, focus needs to be on adjustments where there is a significant variance from the financial year plan assumptions which are unforeseen and out of Management's control or opportunity to adequately manage.
   2. Non-financial considerations such as customer and/or supplier perceptions, reputation impact and broader societal sensitivities should be part of the assessment of the need to apply a discretionary adjustment to incentive outcomes.
   3. In assessing each material change or effect, the Board considers:
      i. Was the triggering event factored into the original financial or non-financial targets?
      ii. Was the outcome in Management's control?
      iii. Could the triggering event have been foreseen, planned or reasonably responded to by Management?
      iv. Is the outcome a result of Management's efforts or in Management's control?
   4. Based on a combination of the above, whether and how much adjustment, positively or negatively, is applied to any of the incentive metric results is compared to the formulaic outcome of the incentive plan rules.
   5. Finally, the broader macro-economic conditions and/or relevant market expectations should be considered.

e. As described on pages 60 to 62, the Board determined that the exercising of discretion was not appropriate in the determination of FY22 outcomes. The Board applies a robust process in the determination of whether the application of discretion to incentive outcomes is appropriate.

Change of control

a. On a change of control, the Board has discretion to end the restriction period ahead of the agreed schedule in respect of previous financial year's STI plans.

b. 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 target 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.

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 in-year STI payment. However, the Board may, in its sole discretion, pay a pro-rated award in certain circumstances, such as death, disablement, retirement or other situations approved by the Board. For any STI restricted shares that have been earned but are still under a holding restriction, there is no forfeiture in the case of cessation of employment.

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 situation 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 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. 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 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 without prior notice. In line with the other Executive KMP's, Mr. Nazareth is entitled to a severance fee equal to 12 months' base salary plus certain other contractual entitlements assuming a termination for any reason other than resignation, performance issues or cause.

Mr Froberg was domiciled in Belgium on assignment in his previous role as Chief Commercial Officer of EMEA and APAC and returned to the US from September 2021 as part of his new responsibilities as President of the Industrial GBU. 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 without prior notice. In line with the other Executive KMP's, Mr. Froberg is entitled to a severance fee equal to 12 months' base salary plus certain other contractual entitlements assuming a termination for any reason other than resignation, performance issues or cause.

Former Executive

Mr Nicolin was a KMP recruited as a US-based Executive whose agreement did not specify a fixed term of engagement. Mr Nicolin retired from the Company on 31 December 2021 and the terms of his retirement are outlined within the 'CEO Retirement' section within section 4.2.

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 and amended in August 2021). This policy requires Directors and Executives to hold a multiple of their fee/base salary in Ansell shares. The current requirement is:

- CEO: 3 x base salary to be achieved by the later of August 2023 or within 6 years of being appointed.
- Executives: 1 x base salary to be achieved by the later of August 2023 or within 6 years of being appointed.
- Non-Executive Directors: 2 x annual Director fees to be achieved by the later of August 2023 or within 10 years of being appointed if appointed after 2013.

The period to achieve mandatory shareholding was reduced from 10 years to 6 years for the CEO and Executives to further align with shareholders' interests.

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 FY22 pursuant to the VSPP (as shown in Figure 5.1).

5.4 Current Shareholding

The table below details the movement of shares held by each KMP and the progress of each KMP during FY22 in achieving their respective share ownership goals in accordance with the mandatory shareholder requirements set out in Section 5.3.

Figure 5.1

	Held at 1 July (or Date Appointed KMP)	VSPP Purchases[1]	Other Purchases	Awarded During the Year	Net Movement Due to Other Changes	Held at 30 June	% of Share Ownership Goal Met[2]	Target Year to Comply	Target Year Projected to Comply
Non-Executive Directors									
John A Bevan									
FY22	**31,482**	**1,406**	**–**	**n/a**	**–**	**32,888**	**116%**	**2023**	**COMPLY**
FY21	29,470	2,012	–	n/a	–	31,482	141%	2023	COMPLY
W Peter Day[3]									
FY22	**30,559**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
FY21	30,559	–	–	n/a	–	30,559	266%	2023	COMPLY
Leslie A Desjardins									
FY22	**15,412**	**–**	**–**	**n/a**	**–**	**15,412**	**107%**	**2025**	**COMPLY**
FY21	14,321	1,091	–	n/a	–	15,412	139%	2025	COMPLY
Morten Falkenberg[4]									
FY22	**–**	**–**	**–**	**n/a**	**n/a**	**–**	**0%**	**2031**	**2031**
Nigel D Garrard									
FY22	**7,150**	**–**	**2,000**	**n/a**	**–**	**9,150**	**64%**	**2030**	**2025**
FY21	5,000	–	2,150	n/a	–	7,150	73%	2030	2022
Marissa T Peterson[3]									
FY22	**23,647**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
FY21	23,647	–	–	n/a	–	23,647	214%	2023	COMPLY
William G Reilly									
FY22	**51,480**	**–**	**–**	**n/a**	**–**	**51,480**	**403%**	**2027**	**COMPLY**
FY21	58,980	–	–	n/a	(7,500)	51,480	525%	2027	COMPLY
Christina M Stercken									
FY22	**6,981**	**2,082**	**–**	**n/a**	**–**	**9,063**	**63%**	**2027**	**2025**
FY21	5,213	968	800	n/a	–	6,981	71%	2027	2023
Christine Y Yan									
FY22	**4,207**	**2,245**	**–**	**n/a**	**–**	**6,452**	**51%**	**2029**	**2025**
FY21	2,755	1,452	–	n/a	–	4,207	43%	2029	2025
Executive Director									
Neil Salmon[5]									
FY22	**56,413**	**–**	**–**	**89,054**	**(50,893)**	**94,574**	**88%**	**2027**	**2023**
FY21	89,829	–	–	53,560	(86,976)	56,413	265%	2023	COMPLY
Other Executives									
Zubair Javeed[5]									
FY22	**26,475**	**–**	**–**	**4,123**	**–**	**30,598**	**129%**	**2025**	**COMPLY**
FY21	–	–	–	52,459	(25,984)	26,475	134%	2029	2029
Darryl Nazareth									
FY22	**36,655**	**–**	**–**	**46,283**	**(54,053)**	**28,885**	**135%**	**2023**	**COMPLY**
FY21	26,296	–	–	25,678	(15,319)	36,655	239%	2024	COMPLY
Rikard Froberg[6]									
FY22	**70,398**	**–**	**–**	**–**	**–**	**70,398**	**361%**	**2024**	**COMPLY**
Former Executive Director									
Magnus R Nicolin[7]									
FY22	**290,766**	**–**	**–**	**205,495**	**(120,787)**	**n/a**	**n/a**	**n/a**	**n/a**
FY21	278,677	–	–	149,076	(136,987)	290,766	261%	2023	COMPLY

1. Purchases made under the Voluntary Share Purchase Plan (see Section 5.3).
2. 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 2022 and 12-month average share price and FX rates.
3. Mr Day and Mrs Peterson retired from the Ansell Board of Directors on 11 November 2021.
4. Mr Falkenberg was appointed as a Non-Executive Director on 11 November 2021.
5. Mr Salmon became MD and CEO on 1 September 2021.
6. Mr Froberg became a KMP on 1 September 2021 and the movement in his shareholding above is disclosed from that date.
7. Mr Nicolin ceased to be MD and CEO, and therefore a KMP, on 31 August 2021 and retired on 31 December 2021.

5.5 Equity Instruments

The table below details the movement in the number of PSRs and RSUs over ordinary shares of Ansell Limited held by the CEO and Other Executive KMPs during FY22.

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]	RSUs Granted During the Year[3]	RSUs Vested During the Year[3]	Held at 30 June
Executive Director								
Neil Salmon	**FY22**	**232,406**	**73,092**	**(85,377)**	**(8,599)**	**–**	**–**	**211,522**
	FY21	265,070	60,542	(51,636)	(41,570)	–	–	232,406
Other Executives								
Zubair Javeed[4]	**FY22**	**128,378**	**46,126**	**–**	**–**	**20,000**	**–**	**194,504**
	FY21	122,232	56,146	(50,000)	–	–	–	128,378
Darryl Nazareth	**FY22**	**123,810**	**28,500**	**(35,619)**	**(3,587)**	**15,400**	**(7,700)**	**120,804**
	FY21	128,964	36,974	(23,339)	(18,789)	–	–	123,810
Rikard Froberg[5]	**FY22**	**115,168**	**25,378**	**(36,551)**	**(3,681)**	**–**	**–**	**100,314**
Former Executive								
Magnus R Nicolin[6]	**FY22**	**572,330**	**20,732**	**(184,505)**	**(18,584)**	**n/a**	**n/a**	**n/a**
	FY21	644,578	161,354	(129,416)	(104,186)	–	–	572,330

1. PSRs were granted during FY22 pursuant to the FY22-FY24 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 17 August 2021, this being A$40.62 (FY21: 90-day period to 18 August 2020, this being A$34.95). Grants are recorded at maximum.
2. PSRs vested and forfeited during FY22 pursuant to the FY19-FY21 LTI Plan (FY21: FY18-FY20 LTI Plan).
3. RSUs were granted and vested during FY22 pursuant to the special grant of the FY22 LTI Plan. The special grant is outlined within section 4.3 on page 64.
4. Mr Javeed joined the Company and became a KMP on 29 April 2019 and was granted 50,000 PSRs on 29 April 2019 as part of his sign-on bonus which vested on 29 April 2021.
5. Mr Froberg became a KMP on 1 September 2021.
6. Mr Nicolin ceased to be MD and CEO, and therefore a KMP, on 31 August 2021 and retired on 31 December 2021.

5.6 Executive Statutory Remuneration (US$)

Name	Year	Base Salary[1]	Retirement Benefits[2]	Other Benefits[3]	STI[4] Cash	STI[4] Restricted Shares	LTI[5] Equity	Total Earnings
Executive Director								
Neil Salmon[6]	**2022**	**767,268**	**111,019**	**41,381**	**–**	**–**	**130,321**	**1,049,989**
	2021	610,881	68,209	33,107	458,161	235,953	2,265,706	3,672,017
Other Executives								
Zubair Javeed	**2022**	**535,016**	**59,430**	**326,127**	**58,183**	**58,183**	**24,084**	**1,061,023**
	2021	566,522	62,930	442,110	424,892	263,432	1,144,769	2,904,655
Darryl Nazareth	**2022**	**468,936**	**113,635**	**371,100**	**36,148**	**36,148**	**7,309**	**1,033,276**
	2021	439,627	94,646	27,101	285,758	148,593	1,184,675	2,180,400
Rikard Froberg[7]	**2022**	**364,645**	**87,705**	**864,842**	**28,600**	**28,600**	**6,376**	**1,380,138**
Former Executive								
Magnus R Nicolin[8]	**2022**	**177,667**	**17,297**	**21,622**	**–**	**–**	**(234,533)**	**(17,947)**
	2021	1,066,000	522,493	142,214	968,394	968,394	7,463,574	11,131,069

1. Base salary includes the salary earned by the individual in the financial year. Mr Javeed did not receive a pay increase in FY22 and as he is remunerated in Euros, any US$ movement above reflects foreign exchange conversion impacts. Refer to page 59 for further information.
2. Retirement benefits include all the retirement benefits earned by the individual in FY22. 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 benefits include the cost to the Company of benefits such as motor vehicle, expatriation and relocation expenses, insurance, expat tax equalisation payments, retrospective base salary and other amounts.

   Mr Javeed and Mr Nazareth's 2022 other benefits include a retention award and is outlined within section 4.3 on page 64. Mr Javeed's 2021 other benefits include his sign-on bonus, which includes the value of accrued PSRs that were granted on 29 April 2019 and vested on 29 April 2021.

   In Mr Froberg's previous role as Chief Commercial Officer of EMEA and APAC he relocated to Belgium from the USA. Upon his appointment as President of IGBU he returned to the USA, which exposed Mr Froberg to various complex income tax issues. As a result, Mr Froberg's other benefits includes relocation payments of $206,595 and tax equalisation payments of $631,078 (based on a tax gross up of $1,414,288 for the 12-month period ended 31 December 2021).
4. 2022 and 2021 STI represent amounts payable under the FY22 and FY21 STI Plans respectively. In 2022, the STI was delivered half in in-year cash, and half in restricted shares, subject to a two-year sale restriction. In 2021, any STI payable above target to Executives was deferred for 2 years in the form of restricted shares. In line with the policy applied to the CEO at the time, Mr Nicolin's STI was delivered half in in-year cash and half as a grant of restricted shares, subject to a two-year sale restriction. The amounts shown in the table above are pre-tax and the number of restricted shares issued is calculated based on the post-tax STI award basis.
5. 2022 LTI includes amounts provided in respect of the Group's LTI Plans. Negative 2022 LTI remuneration reflects the reversal of previously recognised share-based payment expense in accordance with AASB 2 *Share-based Payment*.
6. Mr Salmon was previously the President of the Industrial GBU until his appointment as MD and CEO on 1 September 2021. Mr Salmon's 2022 remuneration reflects the amounts earned in both roles. Given Ansell's disappointing financial performance, the Board agreed with Mr Salmon's decision to forego his STI payable, despite his strong performance on his individual performance metrics.
7. Mr Froberg was appointed President of the IGBU and became a KMP from 1 September 2021. Mr Froberg's remuneration disclosed in this report only relates to the period he was KMP (i.e. 10 months).
8. Mr Nicolin ceased to be MD and CEO on 31 August 2021 and retired on 31 December 2021. Mr Nicolin's remuneration disclosed in this report only relates to the period he was a KMP (i.e. 2 months). As a result of the CEO succession announcement on 8 June 2021, according to AASB 2 *Share-based Payment*, the Group recognised $1,942,290 in FY21 as the acceleration effect of this modification to the terms of Mr Nicolin's granted LTI plans in a manner that is beneficial to him as an employee. Refer to Section 4.2 for Mr Nicolin's key terms of retirement and ongoing employment.

Section 6 – Non-Executive Directors

6.1 Policy and Approach

Overview of policy

(a) Structured with a fixed fee component only.

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

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

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

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

Aggregate fees approved by shareholders

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

Base fees for FY22

Fees for Non-Executive Directors during FY22 were as follows:

Base Fees (Board)		
Non-Executive Chairman	US$320,000 (inclusive of Committee fees)	
Non-Executive Director	US$120,000	
Committee Fees	**Committee Chair**	**Committee Member**
Audit & Compliance Committee	US$30,000	US$12,000
Human Resources Committee	US$30,000	US$12,000
Sustainability and Risk Committee	US$30,000	US$12,000
Governance Committee*		US$6,000

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

As part of the annual review of base fees, taking into consideration market benchmarking analysis and global market trends, Non-Executive Directors of the Ansell Limited Board received a $3,500 increase to their base fee (effective July 2021). The Chairman did not receive an increase.

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 related travel restrictions, Australian based Non-Executive Directors were unable to travel for part of the year and as such their travel allowance was pro-rated for the period they were able to travel.

Superannuation contributions are made on behalf of the Non-Executive Directors at a rate of 10.0% 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.

FY23 – no change in base fees, however, the travel allowance will increase to US$30,000 per annum for FY23 to compensate Non-Executive Directors for additional travel.

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

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

Figure 6.1

Non-Executive Directors	Year	Directors' Fees[1]	Superannuation[2]	Total
John A Bevan (Chairman)	**FY22**	**327,500**	**–**	**327,500**
	FY21	320,000	–	320,000
W Peter Day[3]	**FY22**	**56,818**	**5,682**	**62,500**
	FY21	150,228	14,272	164,500
Leslie A Desjardins	**FY22**	**177,000**	**–**	**177,000**
	FY21	158,500	–	158,500
Nigel D Garrard	**FY22**	**169,500**	**–**	**169,500**
	FY21	140,500	–	140,500
Morten Falkenberg[4]	**FY22**	**101,142**	**–**	**101,142**
Marissa T Peterson[3]	**FY22**	**66,250**	**–**	**66,250**
	FY21	158,500	–	158,500
William G Reilly	**FY22**	**159,000**	**–**	**159,000**
	FY21	140,500	–	140,500
Christina M Stercken	**FY22**	**177,000**	**–**	**177,000**
	FY21	140,500	–	140,500
Christine Y Yan	**FY22**	**159,000**	**–**	**159,000**
	FY21	140,500	–	140,500
Total Non-Executive Directors' remuneration	**FY22**	**1,393,210**	**5,682**	**1,398,892**
	FY21	1,349,228	14,272	1,363,500

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 travel related restrictions, Australian based Non-Executive Directors were unable to travel for part of the year and as such their travel allowance was pro-rated for the period they were able to travel. 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 10% as required by Australian law. Some Australian directors have elected to opt-out of superannuation guarantee payments in accordance with an ATO ruling. As the non-Australian based Directors did not spend any time in Australia in FY22, no superannuation was payable.
3. Mr Day and Mrs Peterson retired from the Ansell Board of Directors on 11 November 2021 and their Directors fees and associated entitlements reflect a part year entitlement in FY22 up to their retirement date.
4. Mr Falkenberg was appointed on 11 November 2021 and his Directors fees and associated entitlements reflect a part year entitlement in FY22 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.

Figure 7.1

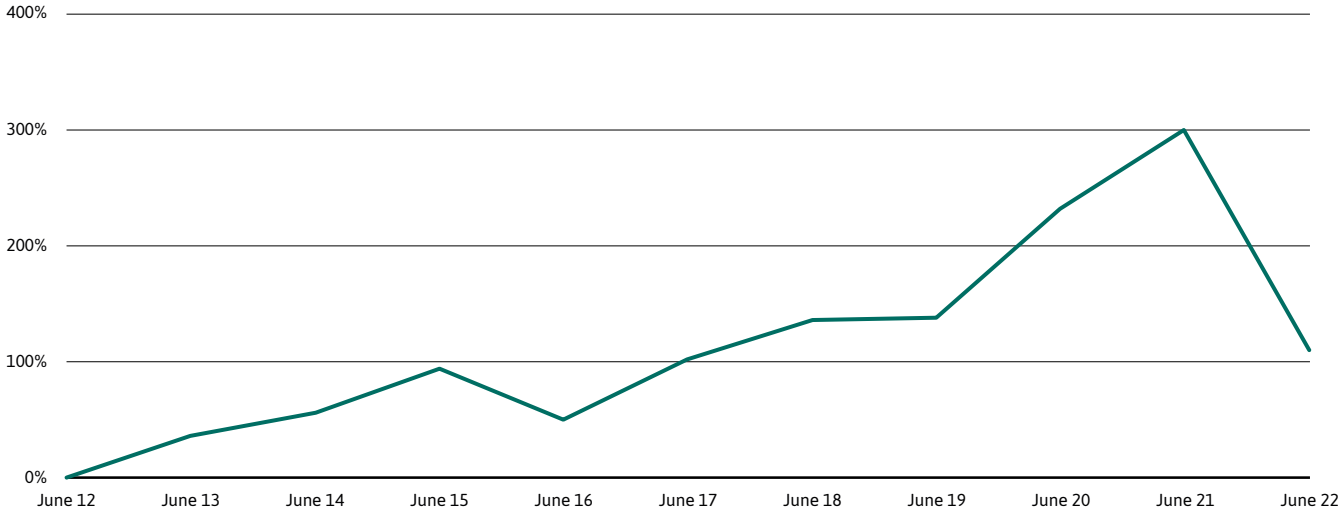
	2018 Adjusted[3]	2019 Adjusted[3]	2020 Restated[4]	2021	2022 Adjusted[5]
Sales (US$m)	1,489.8	1,499.0	1,613.7	2,026.9	**1,952.1**
EBIT (US$m)	193.1	202.8	216.7	338.0	**245.1**
Profit Attributable (US$m)	146.7	150.9	156.6	246.7	**175.7**
Operating Cash Flow (US$m)	104.5	164.7	191.7	49.2	**114.0**
Earnings Per Share (US cents)	102.0	111.5	120.2	192.2	**138.6**
Dividends Per Share[1] (US cents)	45.5	46.75	50.0	76.80	**55.45**
Ansell share price (A$)[2]	27.19	26.85	36.70	43.51	**22.24**

1. Dividends have been declared in US$ since Ansell adopted the US$ as its reporting currency in FY14.
2. FY22 Share price is at 30 June 2022.
3. 2018 and 2019 adjusted results are continuing operations adjusted for the Transformation Program and other one-off costs.
4. 2020 results have been restated on account of FY21 change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's FY21 audited Financial Statements.
5. 2022 Adjusted excludes the one-off expenses from the Russia Business Disruption and Exit. Refer to Note 3(b) Russia Business Disruption and Exit of the Group's audited FY22 Financial Statements.

7.2 Cumulative Total Shareholder Return (TSR)

TSR is the total shareholder return expressed as a percentage representing the growth received by an investor from holding shares in Ansell, assuming USD dividends are converted to AUD and reinvested in Ansell's shares. The chart below shows the TSR performance as a cumulative percentage from a starting value at 1 July 2012 to a finishing value on 30 June 2022.

Figure 7.2 Ansell TSR Performance



7.3 STI/LTI Payouts as Percentage of Maximum

CEO Incentive Outcomes	FY18	FY19	FY20	FY21	FY22
STI (% of maximum)	37%	51%	66%	81%	**0%**
LTI (% of maximum)	42%	48%	55%	91%	**51%**

Section 8 – Governance

8.1 Role of the Human Resources Committee (HRC)

Board

The Board is responsible for:

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

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

Consultation with shareholders and other stakeholders

Remuneration consultants and other external advisers

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

HRC

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

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

Management

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

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

Remuneration consultants and other external advisers

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

8.2 External Consultants

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

8.3 Shareholder Engagement

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

Section 9 – Glossary

Adjusted financial measures means the reported financial measures per the audited consolidated financial statements excluding the financial impact of the Russia Business Disruption and Exit. See Note 3(b) Business Disruption and Exit of the Group's audited FY22 Financial Statements. For example, Adjusted EBIT represents EBIT excluding the Russia Business Disruption and Exit.

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 Flows) to EBITDA (refer below).

Constant currency refers to page 18 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.

EBIT Margin means EBIT as a percentage of sales.

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.

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

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

LAC means Latin American and Caribbean.

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

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

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

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

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

PSRs means Performance Share Rights.

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

RSUs means Restricted Stock Units.

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.

SG&A means Selling, General and Administration expenses.

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

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

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

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

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

CONSOLIDATED INCOME STATEMENT

OF ANSELL LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 US$m	2021 US$m
Revenue			
Sales revenue	2, 3(c)	**1,952.1**	2,026.9
Expenses			
Cost of goods sold		**(1,286.3)**	(1,216.9)
Distribution		**(101.6)**	(86.4)
Selling, general and administration including Russia Business Disruption and Exit	3(b)	**(327.6)**	(393.7)
Total expenses, excluding financing costs		**(1,715.5)**	(1,697.0)
Operating profit		**236.6**	329.9
Share of (loss)/profit of equity accounted investment, net of tax	8(a)	**(8.5)**	8.1
Profit before net financing costs and income tax expense		**228.1**	338.0
Net financing costs	3(a)	**(19.7)**	(19.9)
Profit before income tax		**208.4**	318.1
Income tax expense	4(a)	**(48.6)**	(69.8)
Profit for the period		**159.8**	248.3
Profit for the period is attributable to:			
Ansell Limited shareholders		**158.7**	246.7
Non-controlling interests		**1.1**	1.6
Profit for the period		**159.8**	248.3

	Note	2022 US cents	2021 US cents
Earnings Per Share:			
Basic Earnings Per Share	5	**125.2**	192.2
Diluted Earnings Per Share	5	**123.8**	189.6

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF ANSELL LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 US$m	2021 US$m
Profit for the period		**159.8**	248.3
Other comprehensive income			
Items that will not be reclassified to the Income Statement:			
Retained earnings			
Remeasurement of defined benefit superannuation/post-retirement health benefit plans	14(a)	**5.5**	0.7
Tax expense on items that will not be subsequently reclassified to the Income Statement	4(a)	**(1.4)**	(0.2)
Other reserve			
Change in fair value of equity investment designated as fair value through other comprehensive income	8(b)	**0.3**	–
Tax expense on items that will not be subsequently reclassified to the Income Statement	4(a)	**(0.1)**	–
Total items that will not be reclassified to the Income Statement		**4.3**	0.5
Items that may subsequently be reclassified to the Income Statement:			
Foreign currency translation reserve			
Net exchange differences on translation of financial statements of foreign subsidiaries		**(41.1)**	24.4
Hedging reserve			
Movement in effective cash flow hedges for the year		**14.7**	0.4
Movement in time value of options for the year		**(0.1)**	0.4
Tax expense on items that may subsequently be reclassified to the Income Statement	4(a)	**(4.7)**	–
Total items that may subsequently be reclassified to the Income Statement		**(31.2)**	25.2
Other comprehensive income for the period, net of tax where applicable		**(26.9)**	25.7
Total comprehensive income for the period		**132.9**	274.0
Attributable to:			
Ansell Limited shareholders		**132.6**	272.1
Non-controlling interests		**0.3**	1.9
Total comprehensive income for the period		**132.9**	274.0

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF ANSELL LIMITED AND SUBSIDIARIES AS AT 30 JUNE 2022

	Note	2022 US$m	2021 US$m
Current assets			
Cash and cash equivalents	6(a)	**206.2**	240.2
Trade and other receivables	7(a)	**201.7**	274.2
Derivative financial instruments	17(c)	**17.2**	3.9
Inventories	7(b)	**521.3**	611.2
Other current assets		**38.1**	37.4
Total current assets		**984.5**	1,166.9
Non-current assets			
Trade and other receivables		**1.7**	1.5
Derivative financial instruments	17(c)	**1.9**	1.1
Equity accounted investment	8(a)	**9.6**	18.9
Financial assets	8(b)	**8.4**	3.0
Property, plant and equipment	9	**299.4**	294.9
Right-of-use assets	10(a)	**57.2**	61.1
Intangible assets	11	**1,049.4**	1,077.1
Deferred tax assets	4(b)	**65.1**	83.1
Retirement benefit assets	14(a)	**2.4**	2.8
Other non-current assets		**26.6**	27.3
Total non-current assets		**1,521.7**	1,570.8
Total assets		**2,506.2**	2,737.7
Current liabilities			
Trade and other payables	7(c)	**276.3**	402.9
Derivative financial instruments	17(d)	**6.2**	5.1
Lease liabilities	10(b)	**18.2**	20.8
Provisions	13	**49.1**	92.5
Current tax liabilities		**10.5**	28.6
Total current liabilities		**360.3**	549.9
Non-current liabilities			
Trade and other payables		**0.7**	0.8
Interest bearing liabilities	12	**426.3**	451.7
Lease liabilities	10(b)	**41.3**	43.0
Provisions	13	**8.7**	12.1
Retirement benefit obligations	14(a)	**8.2**	15.7
Deferred tax liabilities	4(c)	**80.4**	72.3
Other non-current liabilities		**23.7**	27.6
Total non-current liabilities		**589.3**	623.2
Total liabilities		**949.6**	1,173.1
Net assets		**1,556.6**	1,564.6
Equity			
Contributed equity	15(a)	**743.8**	769.0
Reserves		**(142.9)**	(84.6)
Retained profits		**942.0**	866.8
Total equity attributable to Ansell Limited shareholders		**1,542.9**	1,551.2
Non-controlling interests		**13.7**	13.4
Total equity		**1,556.6**	1,564.6

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 2022

		Attributable to Ansell Limited shareholders								
2022	**Note**	**Contributed equity US$m**	**Share-based payment reserve US$m**	**Hedging reserve US$m**	**Other reserve US$m**	**Foreign currency translation reserve US$m**	**Retained profits US$m**	**Total US$m**	**Non-controlling interests US$m**	**Total equity US$m**
Balance as at 30 June 2021		769.0	72.5	(1.1)	13.1	(169.1)	866.8	1,551.2	13.4	1,564.6
Comprehensive income										
Profit for the year		–	–	–	–	–	158.7	158.7	1.1	159.8
Other comprehensive income		–	–	9.9	0.2	(40.3)	4.1	(26.1)	(0.8)	(26.9)
Total comprehensive income		–	–	9.9	0.2	(40.3)	162.8	132.6	0.3	132.9
Transactions with owners										
Share-based payments forfeiture		–	(2.6)	–	–	–	–	(2.6)	–	(2.6)
Transfer from retained profits		–	–	–	0.8	–	(0.8)	–	–	–
Shares used to settle the Group's Long-Term Incentive plans		23.3	(26.3)	–	–	–	–	(3.0)	–	(3.0)
Share buybacks		(14.6)	–	–	–	–	–	(14.6)	–	(14.6)
Purchase of treasury shares		(33.9)	–	–	–	–	–	(33.9)	–	(33.9)
Dividends paid*	16	–	–	–	–	–	(86.8)	(86.8)	–	(86.8)
Total transactions with owners		(25.2)	(28.9)	–	0.8	–	(87.6)	(140.9)	–	(140.9)
Total equity as at 30 June 2022		743.8	43.6	8.8	14.1	(209.4)	942.0	1,542.9	13.7	1,556.6

* Dividends paid includes $0.4m paid to the Ansell Limited Employee Share Plan Trust due to the Trust holding unallocated shares at the record date for the final dividend. Refer to Note 22 Ansell Limited Employee Share Plan Trust.

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

2021	Note	Attributable to Ansell Limited shareholders								
		Contributed equity US$m	Share-based payment reserve US$m	Hedging reserve US$m	Other reserve US$m	Foreign currency translation reserve US$m	Retained profits US$m	Total US$m	Non-controlling interests US$m	Total equity US$m
Balance as at 30 June 2020		806.0	63.4	(1.9)	11.5	(193.2)	698.1	1,383.9	11.9	1,395.8
Comprehensive income										
Profit for the year		–	–	–	–	–	246.7	246.7	1.6	248.3
Other comprehensive income		–	–	0.8	–	24.1	0.5	25.4	0.3	25.7
Total comprehensive income		**–**	**–**	**0.8**	**–**	**24.1**	**247.2**	**272.1**	**1.9**	**274.0**
Transactions with owners										
Share-based payments expense		–	30.1	–	–	–	–	30.1	–	30.1
Transfer from retained profits		–	–	–	1.6	–	(1.6)	–	–	–
Shares used to settle the Group's Long-Term Incentive plans		–	(21.0)	–	–	–	–	(21.0)	–	(21.0)
Share buybacks		(14.3)	–	–	–	–	–	(14.3)	–	(14.3)
Purchase of treasury shares		(22.7)	–	–	–	–	–	(22.7)	–	(22.7)
Dividends paid	16	–	–	–	–	–	(76.9)	(76.9)	(0.4)	(77.3)
Total transactions with owners		**(37.0)**	**9.1**	**–**	**1.6**	**–**	**(78.5)**	**(104.8)**	**(0.4)**	**(105.2)**
Total equity as at 30 June 2021		**769.0**	**72.5**	**(1.1)**	**13.1**	**(169.1)**	**866.8**	**1,551.2**	**13.4**	**1,564.6**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

OF ANSELL LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 US$m	2021 US$m
Cash flows related to operating activities			
Receipts from customers		**2,012.4**	1,947.0
Payments to suppliers and employees		**(1,740.5)**	(1,707.2)
Net receipts from operations		**271.9**	239.8
Income taxes paid		**(49.9)**	(67.0)
Net cash provided by operating activities	6(b)	**222.0**	172.8
Cash flows related to investing activities			
Payments for businesses, net of cash acquired		**(0.9)**	(0.3)
Payments for property, plant, equipment and intangible assets		**(67.5)**	(80.4)
Payments for brand names		**–**	(2.3)
Payments for equity accounted investment	8(a)	**–**	(1.7)
Payments for financial asset investments	8(b)	**(5.1)**	–
Proceeds from the sale of property, plant and equipment		**2.3**	–
Net cash used in investing activities		**(71.2)**	(84.7)
Cash flows related to financing activities			
Proceeds from borrowings		**103.2**	2.0
Repayments of borrowings		**(98.8)**	(93.3)
Repayments of lease liabilities		**(21.5)**	(20.8)
Payments for share buybacks		**(14.6)**	(14.3)
Payments for shares acquired to settle the Group's Long-Term Incentive plans		**(3.0)**	(21.0)
Payments for purchases of treasury shares		**(33.9)**	(22.7)
Dividends paid – Ansell Limited shareholders*		**(86.8)**	(76.9)
Dividends paid – Non-controlling interests		**–**	(0.4)
Interest received		**0.2**	1.3
Interest on interest bearing liabilities and financing costs paid		**(20.0)**	(19.7)
Interest paid on lease liabilities		**(1.5)**	(1.7)
Net cash used in financing activities		**(176.7)**	(267.5)
Net decrease in cash and cash equivalents		**(25.9)**	(179.4)
Cash and cash equivalents at the beginning of the financial year		**240.2**	408.9
Effect of movements in exchange rates on cash held		**(8.1)**	10.7
Cash and cash equivalents at the end of the financial year	6(a)	**206.2**	240.2

* 2022 dividends paid includes $0.4m paid to the Ansell Limited Employee Share Plan Trust due to the Trust holding unallocated shares at the record date for the final dividend. Refer to Note 22 Ansell Limited Employee Share Plan Trust.

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 2022

1. Summary of Significant Accounting Policies

General

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

- Healthcare GBU
- Industrial GBU

Statement of Compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 23 August 2022.

Basis of Accounting

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

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

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

Principles of Consolidation

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

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

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

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

Significant Accounting Estimates and Judgements

Current Asset Provisions

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

Property, Plant and Equipment and Finite Life Intangible Assets

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

Impairment of Goodwill and Brand Names

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

Income Tax

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

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

Employee Benefits

The amount recognised as an expense for the Long-Term Incentive Plan (LTIP) reflects the fair value of Performance Share Rights (PSRs) and Restricted Stock Units (RSUs) granted and the number of awards based on estimated non-market performance and service conditions at the vesting date. The estimated non-market performance conditions have been determined based on management's estimate of future performance, including the budget for the 2023 financial year as approved by the Board. The fair value of PSRs and RSUs are detailed in Note 23 Ownership-based Remuneration Schemes.

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

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.

2. Segment Information

The Group comprises the following operating segments:

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

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

	Operating Segments			
2022	**Healthcare US$m**	**Industrial US$m**	**Unallocated US$m**	**Total Group US$m**
Sales revenue	**1,189.6**	**762.5**	**–**	**1,952.1**
Operating profit/(loss)	**159.2**	**107.0**	**(12.6)**	**253.6**
Share of loss of equity accounted investment, net of tax	**(8.5)**	**–**	**–**	**(8.5)**
Profit/(loss) before one-off, net financing costs and income tax expense	**150.7**	**107.0**	**(12.6)**	**245.1**
Russia Business Disruption and Exit				**(17.0)**
Profit/(loss) before net financing costs and income tax expense				**228.1**
Net financing costs				**(19.7)**
Profit before income tax expense				**208.4**
Income tax expense				**(48.6)**
Profit after income tax				**159.8**
Non-controlling interests				**(1.1)**
Net profit attributable to Ansell Limited shareholders				**158.7**
Segment assets	**1,239.2**	**928.4**	**338.6**	**2,506.2**
Segment liabilities	**141.2**	**149.5**	**658.9**	**949.6**
Segment depreciation and amortisation	**28.0**	**32.1**	**5.2**	**65.3**
Segment capital expenditure	**40.7**	**23.4**	**3.4**	**67.5**

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

***2. Segment Information** continued*

Regional Information

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

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

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

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

Latin America and Caribbean: manufacturing facility in Brazil.

North America: manufacturing facility in Mexico.

	Sales Revenue		Regional Assets	
Regions	**2022 US$m**	**2021 US$m**	**2022 US$m**	**2021 US$m**
Asia Pacific	**273.5**	276.5	**508.8**	509.9
Europe, Middle East and Africa	**649.9**	712.3	**222.0**	282.9
Latin America and Caribbean	**156.4**	134.3	**93.3**	85.0
North America	**872.3**	903.8	**287.5**	393.2
Total regions	**1,952.1**	2,026.9	**1,111.6**	1,271.0

Country of Domicile

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

	2022 US$m	**2021 US$m**
Sales revenue	**70.1**	87.8
Assets	**16.0**	25.8

3. Profit Before Income Tax

	2022 US$m	2021 US$m
(a) Profit Before Income Tax has been Arrived at after Charging/(Crediting) the Following Items		
This table summarises expenses by nature:		
Interest expense on interest bearing liabilities	**14.7**	16.3
Interest expense on lease liabilities	**1.5**	1.7
Other financing costs	**3.7**	3.1
Interest income	**(0.2)**	(1.2)
Net financing costs	**19.7**	19.9
Bad debts written off	**0.2**	–
Provision for impairment of trade receivables – (credited)/recognised	**(0.4)**	1.0
Net bad debts (credit)/expense and provision for impairment of trade receivables	**(0.2)**	1.0
Wages and salaries	**230.9**	280.9
Increase in provision for employee entitlements	**15.0**	15.7
Defined contribution superannuation plan expense	**12.8**	14.6
Defined benefit superannuation plan expense	**2.3**	2.8
Equity settled share-based payments (forfeiture)/expense	**(2.6)**	30.1
Employee benefits expense	**258.4**	344.1
Research and development costs	**17.5**	14.5
Net foreign exchange (gain)/loss	**(5.9)**	11.5
(Gain)/loss on the sale of property, plant and equipment	**(1.3)**	0.2
Expenses relating to short term leases	**0.8**	–
Income from sub-leasing of right-of-use assets	**(0.6)**	(0.6)
Variable lease payments	**12.5**	8.8
Write-down in value of inventories	**7.4**	34.2

(b) Russia Business Disruption and Exit

	2022 US$m	2021 US$m
Business restructuring	**7.2**	–
Asset impairment	**9.8**	–
Total	**17.0**	–
Related tax expense	**–**	–
Net profit	**17.0**	–
EPS equivalent	**13.4 cents**	–

Before the commencement of the Russia/Ukraine conflict, the Group operated a legal entity in Russia responsible for importing, marketing and selling Ansell's products in Russia and operated a small manufacturing facility in Russia, of which the production served the local market (collectively known as Ansell Russia). There were no exports from Russia. In FY21, Ansell Russia generated $37.2m sales.

The Ansell Russia business incurred disruption since March 2022 and the Group have decided to cease Ansell Russia's commercial and manufacturing operations. By 30 June 2022, the Group recognised $17.0m one-off expenses at nil income tax impact (EPS equivalent of 13.4 cents), including $9.8m asset impairment, being the amount where the carrying amount of an asset exceeds its recoverable amount and $7.2m business restructuring. The recoverable amount of each asset is an asset's fair value less costs of disposal. Management has used its judgement in determining the fair value less costs of disposal for each asset and establishing a provision based on the expected settlement of various payment obligations. The actual value to be realised or settled in the future may be different from the estimated amounts, and any such differences would affect future earnings of the Group.

(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

	2022 US$m	2021 US$m
(a) Income Tax Expense		
Prima facie income tax calculated at 30% (2021: 30%) on profit before income tax	**62.5**	95.4
Adjusted by the tax effect of:		
Investment and export incentive allowances	**(10.4)**	(13.6)
Share of loss/(profit) of equity accounted investment	**2.0**	(1.9)
Net lower overseas tax rates	**(11.6)**	(20.0)
Tax losses generated but not recognised	**11.7**	7.6
Prior year over provision	**(5.5)**	–
Other permanent differences	**(0.1)**	2.3
Income tax expense attributable to profit before income tax	**48.6**	69.8
Income tax expense attributable to profit before income tax is made up of:		
Current year income tax	**32.3**	83.1
Deferred income tax attributable to:		
Increase/(decrease) in deferred tax liability	**4.3**	(1.9)
Decrease/(increase) in deferred tax asset	**12.0**	(11.4)
	48.6	69.8

	2022 US$m	2021 US$m
Income tax benefit recognised in other comprehensive income		
Remeasurement of defined benefit superannuation/post-retirement health benefit plans	**1.4**	0.2
Change in fair value of equity investments at fair value through other comprehensive income	**0.1**	–
Movement in effective hedges for year	**4.7**	–
	6.2	0.2

	2022 US$m	2021 US$m
(b) Deferred Tax Assets		
Deferred tax assets arising from:		
Deductible temporary differences	**44.6**	60.6
Accumulated tax losses	**20.5**	22.5
	65.1	83.1
Deferred tax assets are attributable to the following:		
Trading stock tax adjustments	**15.1**	14.9
Provisions	**20.7**	36.1
Accruals	**2.3**	2.4
Leased assets	**0.6**	0.6
Amortisation of intangible assets	**5.9**	6.6
Accumulated tax losses	**20.5**	22.5
Total deferred tax assets	**65.1**	83.1
Details of the movement in the balance of deferred tax assets are as follows:		
Balance at the beginning of the financial year	**83.1**	68.5
(Over)/under provision of prior year balance	**(0.5)**	0.1
Amount (charged)/credited to the Income Statement	**(12.0)**	11.4
Amount debited to other comprehensive income	**(1.4)**	(0.2)
Net exchange differences on translation of foreign subsidiaries	**(4.1)**	3.3
Balance at the end of the financial year	**65.1**	83.1
(c) Deferred Tax Liabilities		
Deferred tax liabilities are attributable to the following:		
Depreciation on plant and equipment	**11.2**	8.0
Amortisation of intangible assets	**65.6**	64.1
Financial instruments	**4.4**	(0.3)
Other	**(0.8)**	0.5
Total deferred tax liabilities	**80.4**	72.3
Details of the movement in the balance of deferred tax liabilities are as follows:		
Balance at the beginning of the financial year	**72.3**	73.2
Under/(over) provision of prior year balance	**0.2**	(0.1)
Amount charged/(credited) to the Income Statement	**4.3**	(1.3)
Change in accounting policy current year charged to the Income Statement	**–**	(0.6)
Amount debited to other comprehensive income	**4.8**	–
Net exchange differences on translation of foreign subsidiaries	**(1.2)**	1.1
Balance at the end of the financial year	**80.4**	72.3

***4. Income Tax** continued*

(d) Recognition and Measurement

Current Tax

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

Deferred Tax

Deferred tax balances are determined using the balance sheet method, which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the 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 $28.8m (2021: $14.0m) and $54.2m of capital losses (2021: $59.2m). 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

	2022 US$m	2021 US$m
Earnings reconciliation		
Profit for the period	**159.8**	248.3
Less profit for the period attributable to non-controlling interests	**(1.1)**	(1.6)
Basic earnings	**158.7**	246.7
Diluted earnings	**158.7**	246.7

	Number of Shares (Millions)	
Weighted average number of ordinary shares used as the denominator		
Number of ordinary shares for basic Earnings Per Share	**126.8**	128.4
Effect of potential ordinary shares	**1.4**	1.7
Number of ordinary shares for diluted Earnings Per Share	**128.2**	130.1

	US Cents	US Cents
Earnings Per Share		
Basic Earnings Per Share	**125.2**	192.2
Diluted Earnings Per Share	**123.8**	189.6

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, including under the Executive Share Plan (refer to Note 15 Contributed Equity and Reserves) and the Long-Term Incentive Plan (refer to Note 23 Ownership-based Remuneration Schemes).

6. Cash and Cash Equivalents

	2022 US$m	2021 US$m
(a) Cash and Cash Equivalents		
Cash at bank	**85.7**	172.9
Short-term deposits	**117.3**	62.7
	203.0	235.6
Restricted cash	**0.4**	1.6
Restricted deposits	**2.8**	3.0
Total cash and cash equivalents	**206.2**	240.2
(b) Reconciliation of Net Profit After Tax to Net Cash Provided by Operating Activities		
Profit for the period	**159.8**	248.3
Add/(less) non-cash items:		
Depreciation	**37.7**	34.8
Amortisation	**27.6**	29.3
Impairment – trade receivables (credited)/charged	**(0.4)**	1.0
Share-based payments (forfeiture)/expense	**(2.6)**	30.1
Write-down of property, plant and equipment	**10.4**	2.5
Add/(less) items classified as investing/financing activities:		
Interest income	**(0.2)**	(1.2)
Interest expense on interest bearing liabilities and financing costs	**18.4**	19.4
Interest expense on lease liabilities	**1.5**	1.7
Share of (loss)/profit equity accounted investment, net of tax	**8.5**	(8.1)
(Gain)/loss on the sale of property, plant and equipment	**(1.3)**	0.2
Net cash provided by operating activities before change in assets and liabilities	**259.4**	358.0
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**59.1**	(80.9)
(Increase)/decrease in inventories	**67.9**	(260.5)
Increase in other assets	**(1.6)**	(11.9)
Increase/(decrease) in trade and other payables	**(111.7)**	137.8
Increase/(decrease) in provisions/other liabilities	**(47.3)**	27.9
Increase in retirement benefit obligations	**–**	0.1
Increase/(decrease) in deferred tax liabilities	**9.2**	(5.8)
(Increase)/decrease in deferred tax assets	**7.8**	(7.8)
Increase/(decrease) in current tax liabilities	**(18.3)**	16.4
Other non-cash items (including foreign currency impact)	**(2.6)**	(0.5)
Net cash provided by operating activities	**222.0**	172.8

***6. Cash and Cash Equivalents** continued*

(c) Recognition and Measurement

Cash at Bank and on Deposit

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

Restricted Cash

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

Restricted Deposits

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

7. Working Capital

	2022 US$m	2021 US$m
Net trade receivables	**191.2**	265.5
Inventories	**521.3**	611.2
Trade payables	**(232.0)**	(357.4)
Total working capital	**480.5**	519.3

(a) Current Trade and Other Receivables

	2022 US$m	2021 US$m
Trade receivables	**265.4**	345.2
Allowance for impairment	**(2.9)**	(6.7)
Provision for rebates and allowances	**(71.3)**	(73.0)
Net trade receivables	**191.2**	265.5
Other amounts receivable	**10.5**	8.7
Total current trade and other receivables	**201.7**	274.2

Movements in the allowance for impairment of trade receivables:

	2022 US$m	2021 US$m
Balance at the beginning of the financial year	**6.7**	6.1
Amounts (credited)/charged to the Income Statement	**(0.4)**	1.0
Amounts utilised	**(3.0)**	(0.5)
Net exchange differences on translation of foreign subsidiaries	**(0.4)**	0.1
Balance at the end of the financial year	**2.9**	6.7

	Gross Trade Receivables		Allowance for Impairment	
Ageing of Trade Receivables	2022 US$m	2021 US$m	2022 US$m	2021 US$m
Within agreed terms	**243.6**	302.5	**–**	–
Past due 0-60 days	**15.8**	33.8	**–**	0.1
Past due 61-90 days	**1.4**	0.8	**–**	–
Past due 91 days or more	**4.6**	8.1	**2.9**	6.6
Total	**265.4**	345.2	**2.9**	6.7

(b) Inventories

	2022 US$m	2021 US$m
Raw materials	**71.4**	72.6
Work in progress	**20.9**	23.3
Finished goods	**429.0**	515.3
Total inventories	**521.3**	611.2

	2022 US$m	2021 US$m
Inventories recognised as an expense	**1,105.6**	1,197.7

(c) Current Trade and Other Payables

	2022 US$m	2021 US$m
Current		
Trade payables	**232.0**	357.4
Other payables	**44.3**	45.5
Total current trade and other payables	**276.3**	402.9

(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:

- 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

Careplus (M) Sdn Bhd (CMSB) is a joint venture in which the Group has joint control with Careplus Group Berhad and a 50% ownership interest (2021: 50%). CMSB is a Malaysian manufacturer of surgical as well as latex and nitrile powder-free examination gloves with a manufacturing facility in the Senawang Industrial Estate, near Kuala Lumpur. CMSB is a current supplier to Ansell.

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

	2022 US$m	2021 US$m
Balance at the beginning of the financial year	**18.9**	8.9
Additions	**–**	1.7
(Loss)/Profit for the year	**(8.5)**	8.1
Net exchange differences on translation	**(0.8)**	0.2
Balance at the end of the financial year	**9.6**	18.9

As at 30 June 2022, the Group had $8.2m (2021: $8.9m) trade payables owing to CMSB based on normal trade terms and conditions. The Group also has a $13.3m (2021: $13.7m) amount due from CMSB and $2.3m loan receivable from CMSB (refer to Note 8(b)) which are non-trade transactions. None of the balances are secured.

The agreement with Careplus Group Berhad contains a call option over the remaining 50% of the issued capital of CMSB. The option can be exercised by Ansell upon the occurrence of one of a number of trigger events.

Recognition and Measurement

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

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

At each reporting date, the Group reviews the recoverable amount of its investment in CMSB and amounts due from CMSB. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Investments in equity accounted investments are classified as investing activities within the Group's Statement of Cash Flows.

Summarised Financial Information

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

	2022 US$m	2021 US$m
Current assets	**19.8**	32.3
Non-current assets	**34.6**	25.4
Current liabilities	**32.6**	18.9
Non-current liabilities	**5.3**	3.4
Net assets	**16.5**	35.4
Group's share of net assets (50%)	**8.3**	17.7
Elimination of unrealised profit on downstream sales	**(0.9)**	(1.2)
Goodwill	**2.0**	2.0
Net exchange differences on translation	**0.2**	0.4
Carrying amount of interest in joint venture	**9.6**	18.9

The above amounts of assets and liabilities include the following:

	2022 US$m
Cash and cash equivalents	**5.8**
Current financial liabilities (excluding trade and other payables and provisions)	**9.7**
Non-current financial liabilities (excluding trade and other payables and provisions)	**4.4**

	2022 US$m
Revenue	**43.6**
Total comprehensive income/(loss) for the year	**(18.6)**

The above loss for the year includes the following:

	2022 US$m
Depreciation	**3.5**
Interest income	**–**
Interest expense	**0.3**
Income tax benefit	**(1.2)**

***8. Investments** continued*

(b) Financial Assets

Financial assets designated as:	2022 US$m	2021 US$m
Fair Value through Other Comprehensive Income (FVOCI)	**4.1**	3.0
Fair Value through Profit or Loss (FVTPL)	**2.0**	–
Amortised cost	**2.3**	–
	8.4	3.0

Financial assets designated as FVOCI

The Group accounted for its unlisted equity investments in Modjoul, Inc and another company using the FVOCI method. A $0.3m fair value gain was recognised as other comprehensive income during the year (2021: nil). No dividend income was recognised during 2022 (2021: nil).

Financial assets designated as FVTPL

During the year, the Group invested $2.0m in a convertible promissory note offering from Modjoul, Inc for a 24 month term with 5% interest.

Financial assets designated as amortised cost

In June 2022, the Group loaned $2.3m to CMSB for a 12 month term.

Recognition and Measurement

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an unlisted equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Equity investments at FVOCI are subsequently measured at fair value and any changes are recognised in OCI and reflected in the other reserve in equity. When this financial asset is derecognised, the cumulative gain or loss in equity is transferred to retained earnings. Dividends received are recognised in the Income Statement.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Income Statement.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the Income Statement.

Investments in financial assets are classified as investing activities within the Group's Statement of Cash Flows.

9. Property, Plant and Equipment

2022	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	8.1	42.4	75.5	505.2	36.4	667.6
Accumulated depreciation	–	(16.2)	(32.9)	(319.1)	–	(368.2)
	8.1	26.2	42.6	186.1	36.4	299.4
Movement						
Balance at the beginning of the financial year	9.9	28.3	45.5	184.8	26.4	294.9
Additions	–	–	–	2.2	60.6	62.8
Disposals/scrappings/asset impairment	(1.0)	(0.4)	(1.7)	(4.3)	–	(7.4)
Transfer from buildings and plant under construction	–	1.8	3.1	43.3	(48.2)	–
Depreciation	–	(1.5)	(3.9)	(32.3)	–	(37.7)
Net exchange differences on translation of foreign subsidiaries	(0.8)	(2.0)	(0.5)	(7.6)	(2.4)	(13.2)
Balance at the end of the financial year	8.1	26.2	42.6	186.1	36.4	299.4

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

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) Right-of-use assets

2022	Buildings US$m	Motor Vehicles US$m	Other Plant & Equipment US$m	Total US$m
Cost	128.8	14.8	3.9	147.5
Accumulated depreciation	(82.5)	(6.6)	(1.2)	(90.3)
	46.3	8.2	2.7	57.2
Movement				
Balance at the beginning of the financial year	48.9	10.0	2.2	61.1
New leases	1.2	4.0	1.2	6.4
Modifications	15.1	0.2	–	15.3
Terminations	(1.8)	(1.0)	–	(2.8)
Amortisation	(16.3)	(4.3)	(0.6)	(21.2)
Net exchange differences on translation of foreign subsidiaries	(0.8)	(0.7)	(0.1)	(1.6)
Balance at the end of the financial year	46.3	8.2	2.7	57.2

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

(b) Lease Liabilities

	2022 US$m	2021 US$m
Balance at the beginning of the financial year	63.8	57.6
New leases	6.4	21.0
Modifications	15.3	7.2
Terminations	(2.8)	(2.3)
Repayments	(21.5)	(20.8)
Net exchange differences on translation of foreign subsidiaries	(1.7)	1.1
Balance at the end of the financial year	59.5	63.8
Ageing of Lease Liabilities		
Current	18.2	20.8
Non-current	41.3	43.0
	59.5	63.8

(c) Maturity Analysis – Lease Liabilities

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

	Carrying Amount US$m	Total Contractual Cash Flows US$m	Contractual Maturity (Years)			
			0-1 US$m	1-2 US$m	2-5 US$m	> 5 US$m
2022						
Lease Liabilities	59.5	69.5	19.7	14.0	19.5	16.3
2021						
Lease Liabilities	63.8	72.1	21.4	16.8	18.1	15.8

(d) Recognition and measurement

The Group leases properties, motor vehicles and other plant and equipment. Lease terms range from less than 12 months to 99 years with varying implicit discount rates and in numerous currencies. When an arrangement qualifies as a lease under AASB 16 *Leases*, 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

2022	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	991.6	258.9	66.7	23.6	1,340.8
Additions	–	–	4.0	–	4.0
Net exchange differences on translation of foreign subsidiaries	(17.7)	(9.2)	(6.2)	–	(33.1)
Balance at the end of the financial year	973.9	249.7	64.5	23.6	1,311.7
Provision for amortisation and impairment					
Balance at the beginning of the financial year	140.2	60.7	52.8	10.0	263.7
Amortisation	–	0.1	5.1	1.2	6.4
Asset impairment	–	1.1	0.2	–	1.3
Net exchange differences on translation of foreign subsidiaries	(0.7)	(3.4)	(5.0)	–	(9.1)
Balance at the end of the financial year	139.5	58.5	53.1	11.2	262.3
Written down value at the end of the financial year	834.4	191.2	11.4	12.4	1,049.4

Software additions and amortisation is net ($3.2m) of the FY21 change in accounting policy for cloud computing arrangements.

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

Software additions and amortisation is net ($2.8m) of the FY21 change in accounting policy for cloud computing arrangements.

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

	2022 US$m	2021 US$m
Healthcare	680.2	689.5
Industrial	345.4	360.1
	1,025.6	1,049.6

Recognition and Measurement

Goodwill and Brand Names

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

Software Costs

Capitalised software costs are amortised over a 5 to 10-year period.

Configuration or Customisation Costs in a Cloud Computing Arrangement

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

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

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

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

Other Intangible Assets

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

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

***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 2023 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 2024 to 2027 and for the terminal year. Factors such as country risk, forecasting risk and country specific growth and tax rates have been taken into consideration in arriving at these rates.

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

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

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

The post-tax discount rate used for a value in use calculation is derived based on an internal assessment of the Group's post-tax weighted average cost of capital in conjunction with risk specific factors for the countries in which the CGU operates. The growth in the terminal year was 1.9% to 2.0% (2021: 1.6% to 1.8%) and the post-tax discount rates applied range between 8.1% and 8.3% (2021: 8.0% and 8.2%).

The potential impacts of climate change have been considered in the Group's impairment testing through downside scenario analysis and key assumption sensitivity assessment. No material financial risks on the carrying value were identified.

12. Interest Bearing Liabilities

	2022 US$m	2021 US$m
Current		
Total current	–	–
Non-current		
Loans repayable in:		
Euros	**114.4**	132.7
United States dollars	**218.0**	200.0
United Kingdom pounds	**93.9**	119.0
Total non-current	**426.3**	451.7
Total interest bearing liabilities	**426.3**	451.7

This table summarises the movement in interest bearing liabilities for the year ended 30 June 2022:

	2022 US$m
Balance at the beginning of the financial year	**451.7**
Movements in cash flows related to financing activities:	
Proceeds from borrowings as per Consolidated Statement of Cash Flows	**103.2**
Repayments of borrowings as per Consolidated Statement of Cash Flows	**(98.8)**
Other movements:	
Net exchange differences on translation of foreign subsidiaries	**(29.8)**
Balance at the end of the financial year	**426.3**

In November 2021, the Group renewed its syndicated borrowing facility increasing the total facility to US$500 million (previously US$300 million) and extending the maturity date to January 2027 (previously June 2023). At 30 June 2022, GBP 77.5 million (equivalent of US$93.9 million) and US$18.0 million was drawn down. In addition, the Group has a Euro 50.0 million revolving credit facility with Euro 8.0 million (equivalent of US$8.4 million) drawn down at 30 June 2022 maturing in July 2024 and Senior Notes to the equivalent of US$306.0 million. Senior Notes of US$200 million and Euro 101.5 million (equivalent of US$106.0 million) mature between April 2024 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.

Interest rate benchmark reform

The Group has $18.0 million of loans subject to USD LIBOR at 30 June 2022. Under Ansell's Syndicated Facility Agreement when USD LIBOR ceases to be published or the Group elects to early opt-in, the new benchmark rate will be Term Secured Overnight Financing (SOFR) plus an adjustment spread or if this is not published the Daily Simple SOFR plus the applicable adjustment spread.

	2022 US$m	2021 US$m
Net interest bearing debt		
Current lease liabilities	**18.2**	20.8
Non-current interest bearing liabilities	**426.3**	451.7
Non-current lease liabilities	**41.3**	43.0
Cash at bank and short-term deposits	**(203.0)**	(235.6)
Net interest bearing debt	**282.8**	279.9

***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	2022 US$m
Bank loans	Euros	1.25	2025	8.4
	Great British pounds	2.27	2027	93.9
	United States dollars	2.72	2027	18.0
Other loans	Euros	0.72	2027	37.3
	Euros	2.75	2028	37.3
	Euros	2.47	2029	31.4
	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				426.3

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

13. Provisions

	2022 US$m	2021 US$m
Current		
Provision for employee entitlements	38.2	84.9
Provision for rationalisation and restructuring costs	7.9	3.8
Other provisions	3.0	3.8
Total current	49.1	92.5
Non-current		
Provision for employee entitlements	8.7	12.1
Total non-current	8.7	12.1
Total provisions	57.8	104.6

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

	2022 US$m	2021 US$m
Provision for rationalisation and restructuring costs		
Balance at the beginning of the financial year	**3.8**	5.1
Amounts charged to the Income Statement	**5.6**	1.4
Payments made	**(1.3)**	(3.0)
Net exchange differences on translation of foreign subsidiaries	**(0.2)**	0.3
Balance at the end of the financial year	**7.9**	3.8
Other provisions		
Balance at the beginning of the financial year	**3.8**	3.0
Amounts charged to the Income Statement	**0.1**	0.7
Payments made	**(0.7)**	–
Net exchange differences on translation of foreign subsidiaries	**(0.2)**	0.1
Balance at the end of the financial year	**3.0**	3.8

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.

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) explanation of the leads and for legal costs in defence of claims made in respect of the Accufix Pacing Leads. This provision is covered by cash required to be set aside by the Courts (refer to Note 6 Cash and Cash Equivalents – Restricted Deposits).

14. Retirement Benefit Obligations

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

(a) Defined Benefit Superannuation Plans

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

Retirement Benefit Asset

	2022 US$m	2021 US$m
Fair value of defined benefit plan assets	**3.8**	4.3
Present value of accumulated defined benefit obligations	**(1.4)**	(1.5)
Defined benefit asset recognised in the Balance Sheet	**2.4**	2.8

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

	2022 US$m	2021 US$m
Balance at the beginning of the financial year	**2.8**	2.1
Actuarial (losses)/gains[(i)]	**(0.1)**	0.3
Current service cost[(ii)]	**–**	(0.2)
Employer contributions[(iii)]	**–**	1.9
Settlement losses[(iv)]	**–**	(1.5)
Benefits paid[(iii)]	**(0.1)**	–
Net exchange differences on translation of foreign subsidiaries	**(0.2)**	0.2
Balance at the end of the financial year	**2.4**	2.8

Retirement Benefit Liability

	2022 US$m	2021 US$m
Present value of accumulated defined benefit obligations	**27.1**	35.6
Fair value of defined benefit plan assets	**(18.9)**	(19.9)
Net defined benefit liability recognised in the Balance Sheet	**8.2**	15.7

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

	2022 US$m	2021 US$m
Balance at the beginning of the financial year	**15.7**	14.9
Actuarial gains[(i)]	**(5.6)**	(0.4)
Current service cost[(ii)]	**2.2**	2.5
Net interest cost[(ii)]	**0.1**	0.1
Employer contributions[(iii)]	**(2.2)**	(2.4)
Benefits paid[(iii)]	**(0.1)**	(0.1)
Net exchange differences on translation of foreign subsidiaries	**(1.9)**	1.1
Balance at the end of the financial year	**8.2**	15.7

The principal actuarial assumptions used (expressed as a weighted average) were as follows:

	2022	2021
Discount rate	**3.1% to 4.3%**	0.7%
Future salary increases	**Nil* to 3.0%**	1.8% to 3.0%

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

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

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

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

* For those defined benefit plans that have no active employees, no future salary increase was assumed. Actuarial gains and losses are recorded in other comprehensive income.

The Group expects $2.0m in contributions to be paid to its defined benefit plans during the year ending 30 June 2023.

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

	2022 US$m	2021 US$m
Equity securities	**9%**	10%
Fixed interest securities	**77%**	76%
Property	**3%**	3%
Cash & cash equivalents	**5%**	6%
Other	**6%**	5%

(b) Defined Contribution Superannuation Plans

	2022 US$m	2021 US$m
Contributions to defined contribution plans during the year	**12.8**	14.6

15. Contributed Equity and Reserves

(a) Contributed Equity

	Ordinary shares		Executive Share Plan shares		Treasury shares		Contributed equity	
	Number	US$m	Number	US$m	Number	US$m	Number	US$m
At 30 June 2020	128,527,343	806.0	44,700	–	–	–	128,572,043	806.0
Buyback/cancellation of shares	(521,016)	(14.3)	–	–	–	–	(521,016)	(14.3)
Purchase of treasury shares	–	–	–	–	(700,000)	(22.7)	(700,000)	(22.7)
At 30 June 2021	128,006,327	791.7	44,700	–	(700,000)	(22.7)	127,351,027	769.0
Buyback/cancellation of shares	**(737,576)**	**(14.6)**	**(41,800)**	**–**	**–**	**–**	**(779,376)**	**(14.6)**
Shares used to settle the Group's Long-Term Incentive plans	**–**	**–**	**–**	**–**	**755,232**	**23.3**	**755,232**	**23.3**
Purchase of treasury shares	**–**	**–**	**–**	**–**	**(1,462,220)**	**(33.9)**	**(1,462,220)**	**(33.9)**
At 30 June 2022	**127,268,751**	**777.1**	**2,900**	**–**	**(1,406,988)**	**(33.3)**	**125,864,663**	**743.8**

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, 223,869 shares were purchased on market and issued to shareholders during the year (2021: 106,199 new shares were issued to shareholders).

Executive Share Plan

During the financial year, nil Executive Share Plan shares were paid (2021: nil). Shares allotted under the Pacific Dunlop Executive Share Plan (which was discontinued in 1996) have been paid to A$0.05 per share.

Treasury Shares

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

Options

As at the date of this Report, there are nil (2021: 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.

Other Reserve

The other reserve comprises:

- The cumulative net change in the fair value of equity investments designated at FVOCI; and
- In certain jurisdictions regulatory requirements result in appropriations being made to an other reserve.

Foreign Currency Translation Reserve

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

16. Dividends Paid or Declared

	2022 US$m	2021 US$m
Dividends paid		
A final dividend of US43.60 cents per share unfranked for the year ended 30 June 2021 (June 2020: US28.25 cents unfranked) was paid on 16 September 2021 (2020: 17 September 2020)	**55.6**	35.4
An interim dividend of US24.25 cents per share unfranked for the year ended 30 June 2022 (June 2021: US33.20 cents unfranked) was paid on 9 March 2022 (2021: 10 March 2021)	**31.2**	41.5
	86.8	76.9

Dividends Declared

Since the end of the financial year the Directors have declared a final dividend of US31.20 cents per share unfranked, to be paid on 15 September 2022. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2022 and will be recognised in subsequent financial reports.

Dividend Franking Account

The balance of the dividend franking account as at 30 June 2022 was nil (2021: nil).

17. Financial Risk Management

Ansell has a range of financial policies designed to mitigate any potential negative impact financial risks may have on the Group's results. The Group's risk management is carried out by a central treasury department under policies approved by the Board of Directors. 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) Fair Value

(a) Foreign Exchange Risk

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

- Major revenue and cost currency net cash flow exposures are predominantly hedged back to US$ on a 12 to 18-month rolling basis so as to reduce any significant adverse impact of exchange rate fluctuations on 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 Contracts

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

(ii) Foreign Exchange Options

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

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

	2022 US$m	2021 US$m
Net receivable in non-US$ reporting entities	**16.7**	47.5

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 Year		Equity	
	2022 US$m	2021 US$m	2022 US$m	2021 US$m
With all other variables held constant:				
10% increase in US$ exchange rate	**–**	–	**9.7**	6.8
10% decrease in US$ exchange rate	**–**	–	**(7.2)**	(5.0)

(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:

			Fixed Interest Repricing in:				
	Weighted Average Effective Interest Rate %	Floating US$m	1 Year or Less US$m	1 to 2 Years US$m	2 to 5 Years US$m	> 5 Years US$m	Total US$m
2022							
Bank and other loans	3.5	120.3	–	100.0	137.3	68.7	426.3
Effect of interest rate swaps*	(0.2)	13.1	(37.3)	–	24.2	–	–
		133.4	(37.3)	100.0	161.5	68.7	426.3
2021							
Bank and other loans	3.2	130.9	–	–	200.0	120.8	451.7
Effect of interest rate swaps*	(0.1)	(40.5)	83.0	(42.5)	–	–	–
		90.4	83.0	(42.5)	200.0	120.8	451.7

* 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 Year		Equity	
	2022 US$m	2021 US$m	2022 US$m	2021 US$m
With all other variables held constant:				
If interest rates were 10% higher	–	–	0.3	–
If interest rates were 10% lower	–	–	(0.3)	–

Interest rate benchmark reform

A reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative risk-free rates (referred to as 'IBOR reform'). The Group has no Interest Rate Swaps (IRS's) subject to IBOR transition at 30 June 2022.

***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 Statement of Financial Position. The Group is exposed to credit risk from its operating activities, primarily from customer receivables and from its financing activities, including deposits with financial institutions, foreign exchange transactions and other financial instruments.

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

(i) Credit Risk – Cash and Cash Equivalents

The Group held cash and cash equivalents of US$206.2m at 30 June 2022 (2021: US$240.2m). 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 counterparties in various countries. Customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. In addition, receivable balances are monitored on an ongoing basis. The Group is not materially exposed to any individual customer. An ageing of trade receivables past due is included in Note 7 Working Capital.

	Carrying Amount	
	2022 US$m	**2021 US$m**
Net trade receivables	**191.2**	265.5

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

(iii) Credit Risk by Maturity

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

	Foreign Exchange Related Contracts		Interest Rate Contracts		Foreign Exchange Options		Total	
	2022 US$m	**2021 US$m**	**2022 US$m**	**2021 US$m**	**2022 US$m**	**2021 US$m**	**2022 US$m**	**2021 US$m**
Term:								
0-6 months	**5.8**	1.4	**0.2**	–	**5.4**	0.9	**11.4**	2.3
6-12 months	**1.2**	0.3	**–**	–	**4.7**	1.3	**5.9**	1.6
1-2 years	**–**	–	**–**	1.1	**–**	–	**–**	1.1
2-5 years	**–**	–	**1.8**	–	**–**	–	**1.8**	–
> 5 years	**–**	–	**–**	–	**–**	–	**–**	–
Total	**7.0**	1.7	**2.0**	1.1	**10.1**	2.2	**19.1**	5.0

(d) Liquidity Risk

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

The Group manages liquidity risk by:

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

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

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

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

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

	Carrying Amount US$m	Total Contractual Cash Flows US$m	Contractual Maturity (Years)			
			0-1 US$m	1-2 US$m	2-5 US$m	> 5 US$m
2022						
Trade and other payables	**277.0**	**277.0**	**276.3**	**0.7**	**–**	**–**
Bank and other loans	**426.3**	**478.3**	**14.8**	**113.7**	**278.9**	**70.9**
Derivative financial instruments	**6.2**	**6.2**	**6.2**	**–**	**–**	**–**
Total	**709.5**	**761.5**	**297.3**	**114.4**	**278.9**	**70.9**
2021						
Trade and other payables	403.7	403.7	402.9	0.8	–	–
Bank and other loans	451.7	508.9	13.8	133.0	235.8	126.3
Derivative financial instruments	5.1	5.1	5.1	–	–	–
Total	860.5	917.7	421.8	133.8	235.8	126.3

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.

***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 counterparties who have amounts outstanding to the Group under derivative financial instruments fail to honour their side of the contracts. The Group's exposure is almost entirely to banks. Amounts owed by the Group under derivative financial instruments are not included.

(iii) Net Fair Value

This is the amount at which the instrument could be realised between willing parties in a normal market in other than a liquidation or forced sale environment. The net amount owing (to)/by financial institutions under all derivative financial instruments would have been $12.9m (2021: ($0.1m)) if all contracts were closed out on 30 June 2022.

2022	Average Exchange Rates	Average Maturity Days	Nominal/ Face Value US$m	Credit Risk US$m	Net Fair Value US$m
Foreign exchange contracts					
Purchase/sale contracts:					
– United States dollars/Euros	1.1	128.0	127.3	5.8	5.8
– Australian dollars/Japanese yen	130.1	37.0	6.3	0.3	0.3
– Malaysian ringgits/United States dollars	4.3	184.0	97.8	–	(2.8)
– Thai baht/United States dollars	35.0	32.0	10.5	–	(0.1)
– Sri Lankan rupees/United States dollars	–	–	–	–	–
– United States dollars/Australian dollars	0.7	94.0	12.2	0.5	0.5
– United States dollars/Canadian dollars	1.3	26.0	5.3	–	–
– Other	–	–	98.5	0.3	(1.2)
Foreign exchange zero cost collar options	**Options strike rates**				
– Euros/United States dollars	1.14 – 1.16	208.0	112.6	8.2	7.8
– Canadian dollars/United States dollars	1.28 – 1.22	159.0	16.0	0.3	0.3
– Great British pounds/United States dollars	1.34 – 1.37	84.0	6.8	0.6	0.6
– Japanese yen/United States dollars	113.7 – 110.5	144.0	4.8	0.8	0.7
– United States dollars/Thai Baht	32.6 – 34.2	185.0	37.0	0.2	(1.1)
Interest rate contracts					
Interest Rate Swaps:	**Interest rate %**	**Years**			
– GBP Payable fixed	0.90	4.7	24.2	1.9	1.9
– Euros Payable floating	EURIBOR	0.2	37.3	0.2	0.2
Total			596.6	19.1	12.9

2021	Average Exchange Rates	Average Maturity Days	Nominal/ Face Value US$m	Credit Risk US$m	Net Fair Value US$m
Foreign exchange contracts					
Purchase/sale contracts:					
– United States dollars/Euros	1.20	143	64.2	0.6	0.4
– Australian dollars/Japanese yen	109.10	23	3.6	0.1	0.1
– Malaysian ringgits/United States dollars	4.17	195	90.6	0.4	(0.3)
– Thai baht/United States dollars	31.25	67	12.3	–	(0.3)
– Sri Lankan rupees/United States dollars	186.95	110	9.2	0.1	(0.2)
– United States dollars/Australian dollars	0.76	39	7.7	0.1	0.1
– United States dollars/Canadian dollars	1.22	33	15.5	0.2	0.2
– Other	–	–	136.1	0.3	(0.4)
Foreign exchange zero cost collar options	**Options strike rates**				
– Euros/United States dollars	1.18 – 1.23	164	145.5	1.6	0.6
– Australian dollars/United States dollars	0.72 – 0.77	121	8.9	0.1	(0.1)
– Canadian dollars/United States dollars	1.30 – 1.23	185	22.5	0.1	(0.3)
– Great British pounds/United States dollars	1.32 – 1.39	174	14.9	0.1	(0.2)
– United States dollars/Malaysian Ringgit	4.16 – 4.18	145	2.4	–	–
– Japanese yen/United States dollars	107.9 – 103.79	180	6.2	0.2	0.2
– United States dollars/Thai Baht	30.63 – 31.58	180	22.9	0.1	(0.5)
Interest rate contracts					
Interest Rate Swaps:	**Interest rate %**	**Years**			
– GBP Payable fixed	0.96	0.7	83.1	–	(0.4)
– Euros Payable floating	EURIBOR	1.2	42.5	1.0	1.0
Total			688.1	5.0	(0.1)

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

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

2022 US$m	Carrying Amount of Hedging Instruments*	Change in Value of the Hedging Instrument for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in Other Comprehensive Income	Hedge Ineffectiveness Recognised in the Income Statement	Amount Reclassified from Hedging Reserve to the Income Statement
Cash flow hedges						
Revenue (up to 1 year)	15.0	15.0	(15.0)	15.0	–	0.3
Costs (up to 1 year)	(3.9)	(3.9)	3.9	(3.9)	–	(1.3)
GBP interest	1.9	1.9	(1.9)	1.9	–	(0.4)
Fair value hedges						
EUR interest	0.2	–	–	–	–	–

2021 US$m	Carrying Amount of Hedging Instruments*	Change in Value of the Hedging Instrument for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in Other Comprehensive Income	Hedge Ineffectiveness Recognised in the Income Statement	Amount Reclassified from Hedging Reserve to the Income Statement
Cash flow hedges						
Revenue (up to 1 year)	0.3	0.3	(0.3)	0.3	–	(0.2)
Costs (up to 1 year)	(1.3)	(1.3)	1.3	(1.3)	–	(1.0)
EUR interest	–	–	–	–	–	(0.1)
GBP interest	(0.4)	(0.4)	0.4	(0.4)	–	(0.8)
Fair value hedges						
EUR interest	1.0	–	–	–	–	–

* 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 Level 3 financial assets designated at FVOCI and FVTPL. 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 financial assets designated as FVOCI and FVTPL is calculated based on the latest available valuation inputs at each reporting date, including unlisted equity investee's financial information and recent transactions.

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.

	2022 US$m	2021 US$m
Level 2		
Derivative financial assets	**19.1**	5.0
Derivative financial liabilities	**6.2**	5.1
Level 3		
Financial assets designated as FVOCI	**4.1**	3.0
Financial assets designated as FVTPL	**2.0**	–

(g) Recognition and Measurement

Derivatives

The Group uses derivative financial instruments, principally foreign exchange and interest rate related, to reduce the exposure to foreign exchange rate and interest rate movements.

The Group has adopted certain principles in relation to derivative financial instruments:

- Derivatives may be used to hedge underlying business exposures of the Group. Trading in derivatives is not undertaken.
- Derivatives acquired must be able to be recorded in the Group's treasury management systems, which contain extensive internal controls.
- The Group predominantly does not deal with counterparties rated lower than A3 by Moody's Investors Service.

The Group follows the same credit policies, legal processes, monitoring of market and operational risks in the area of derivative financial instruments as it does in relation to other financial assets and liabilities on the 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 hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

***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

	2022 US$m	2021 US$m
Contracted but not provided for in the financial statements:		
Plant and equipment	**21.0**	32.6
Payable within one year	**21.0**	32.6

19. Particulars Relating to Subsidiaries

	Country of Incorporation	Beneficial Interest 2022 %	Beneficial Interest 2021 %
Ansell Limited	Australia		
Ansell Healthcare Japan Co. Ltd.	Japan*	100	100
BNG Battery Technologies Pty. Ltd.	Australia	100	100
Corrvas Insurance Pty. Ltd.	Australia	100	100
Dunlop Olympic Manufacturing Pty. Ltd.	Australia	100	100
FGDP Pty. Ltd.	Australia	100	100
Nucleus Ltd.	Australia	100	100
Lifetec Project Pty. Ltd.	Australia	100	100
Medical TPLC Pty. Ltd.	Australia	100	100
N&T Pty. Ltd.	Australia	100	100
Nucleus Trading Pte. Ltd.	Singapore*	100	100
THLD Ltd.	Australia	100	100
TNC Holdings Pte. Ltd.	Singapore*	100	100
TPLC Pty. Ltd.	Australia	100	100
Societe de Management Financier S.A.	France*	100	100
Olympic General Products Pty. Ltd.	Australia	100	100
Pacific Dunlop Finance Pty. Ltd.	Australia	100	100
Ansell (Shanghai) Management Co. Ltd.	China*	100	100
Ansell (Shanghai) Commercial and Trading Co. Ltd.	China*	100	100
P.D. Holdings Pty. Ltd.	Australia	100	100
P.D. International Pty. Ltd.	Australia	100	100
Ringers Technologies Australia Pty. Ltd.	Australia	100	100
Ansell Canada Inc.	Canada*	100	100
Ansell Commercial Mexico S.A. de C.V.	Mexico*	100	100
Ansell Colombia SAS	Colombia*	100	100
Ansell Global Trading Center (Malaysia) Sdn. Bhd.	Malaysia*	100	100
Ansell Lanka (Pvt.) Ltd.	Sri Lanka*	100	100
Ansell (Middle East) DMCC	UAE*	100	100
Ringers Global Middle East FZE	UAE*	100	100
Ansell Perry de Mexico S.A. de C.V.	Mexico*	100	100
Ansell Protective Solutions Singapore Pte. Ltd.	Singapore*	100	100
Ansell Sterile Solutions Pvt Ltd	India*	100	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
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

***19. Particulars Relating to Subsidiaries** continued*

	Country of Incorporation	Beneficial Interest 2022 %	Beneficial Interest 2021 %
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
Ansell UK Limited	U.K.*	100	100
Ansell Healthcare Europe N.V.	Belgium*	100	100
Ansell GmbH	Germany*	100	100
Ansell Italy Srl	Italy*	100	100
Ansell Medikal Urunler Ithalat Ihracat Uretim ve Ticaret A.S.	Turkey*	100	100
Ansell Norway AS	Norway*	100	100
Ansell Protective Solutions AB	Sweden*	100	100
Ansell Protective Solutions Lithuania UAB	Lithuania*	100	100
Ansell Rus LLC	Russia*	100	100
Ansell Manufacturing Rus LLC	Russia*	100	100
Ansell S.A.	France*	100	100
Ansell Services Poland Sp. Z o.o.	Poland*	100	100
Ansell Spain SL (Sociedad de Responsabilidad Limitada)	Spain*	100	100
Comasec SAS	France*	100	100
Ansell Industrial & Specialty Gloves Malaysia Sdn. Bhd.	Malaysia*	100	100
Ansell Portugal – Industrial Gloves, Sociedade Unipessoal, Lda	Portugal*	100	100
Ringers Technologies Denmark APS	Denmark*	100	100
Ansell Korea Co. Ltd.	South Korea*	100	100
Ansell Vina Corporation	Vietnam*	100	100
Ansell Xiamen Limited	China*	100	100
Ansell Microgard Xiamen Limited	China*	100	100
Nitritex Limited	U.K.*	100	100
Nitritex (M) Sdn. Bhd.	Malaysia*	100	100
Pacific Dunlop Holdings (Singapore) Pte. Ltd.	Singapore*	100	100
Ansell India Protective Products Pvt. Ltd.	India*	100	100
Ansell (Hong Kong) Limited.	Hong Kong*	100	100
PDOCB Pty. Ltd.	Australia	100	100
PD Licensing Pty. Ltd.	Australia	100	100
Siteprints Pty. Ltd.	Australia	100	100
S.T.P. (Hong Kong) Ltd.	Hong Kong*	100	100
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 or merged with another subsidiary during the year:

- Ansell Microgard Ltd.
- Medical Telectronics N.V.
- Pacific Dunlop Holdings N.V.
- Ringers Technologies LLC (merged with Ansell Healthcare Products LLC)
- Valeo Technologies LLC (merged with Ansell Healthcare Products LLC)

During the year, S.T.P. (Hong Kong) Ltd.'s business ceased and has commenced being liquidated.

20. Parent Entity Disclosures

As at the end of and throughout the financial year ending 30 June 2022, the parent company of the Group was Ansell Limited.

	2022 US$m	2021 US$m
Result of the parent entity		
Profit for the year	**98.8**	18.7
Other comprehensive income	**10.3**	0.2
Total comprehensive income for the period, net of income tax	**109.1**	18.9

Financial Position of the Parent Entity at Year End

	2022 US$m	2021 US$m
Current assets	**1,228.2**	1,141.7
Total assets	**2,617.9**	2,669.1
Current liabilities	**1,631.5**	1,578.3
Total liabilities	**1,632.8**	1,581.2
Total equity of the parent entity comprising:		
Issued capital	**743.8**	769.0
Reserves	**(352.1)**	(262.8)
Retained profits	**593.4**	581.7
Total equity	**985.1**	1,087.9

The Group has a net current asset position of $624.2m (2021: $617.0m), which the parent company controls. As at 30 June 2022, the parent company has a net current liability position of $403.3m (2021: $436.6). The Directors will ensure that the parent company has, at all times, sufficient funds available from the Group to meet its commitments.

Parent Entity Guarantee

The parent entity guarantees the debts of certain subsidiaries that are guarantors under the Group's revolving credit bank facility.

21. Related Party Disclosures

(a) Subsidiaries

Ansell Limited is the parent entity of all entities detailed in Note 19 Particulars Relating to Subsidiaries and from time to time has dealings on normal commercial terms and conditions with those entities, the effects of which are eliminated in these consolidated financial statements.

(b) Transactions With Key Management Personnel

(i) Key Management Personnel Remuneration

	2022 US$	2021 US$
Short-term benefits	**5,179,321**	8,030,640
Retirement benefits	**394,138**	762,550
Termination benefits	**–**	–
Long-term equity-based incentives	**331,912**	12,458,451
	5,905,371	21,251,641

(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.

22. Ansell Limited Employee Share Plan Trust

The Group holds shares in itself as a result of shares purchased by the Ansell Limited Employee Share Plan Trust (the Trust). The trustee of Ansell Limited Employee Share Plan Trust is CPU Share Plans Pty Ltd. The Trust was established to manage and administer the Company's responsibilities under the Group's incentive plans through the acquiring, holding and transferring of shares, or rights to shares, in the Company to participating employees. In respect of these transactions, at any point in time the Trust may hold 'allocated' and 'unallocated' shares. This Trust is also used to facilitate the acquiring, holding and sale of shares on behalf of the behalf of the Directors under the Voluntary Share Purchase Plan.

As at 30 June 2022, the Trust held 1,406,988 treasury shares (unallocated shares) in the Company (2021: 700,000) and 290,452 allocated shares (2021:223,692).

Allocated shares

Allocated shares represent those shares that have been purchased and awarded to employees under the Short-Term Incentive Plan and Special Incentive Plan. Those shares awarded under the Short-Term Incentive Plan and Special Incentive Plan contain a post-vesting holding lock and are held on trust in respect of vested grants.

Vested shares that contain a post-vesting holding lock, are restricted in that the employee is unable to dispose of the shares for a period of two years (or as otherwise determined by the Board). The Trust holds these shares on behalf of the employee until the restriction period is lifted at which time, upon the employee's choice, the Trust releases the shares to the employee or continues to hold the shares on their behalf. Allocated shares are not identified or accounted for as treasury shares.

Where the Trust purchases equity instruments in the Company, as a result of managing the Company's responsibilities for those vested shares with a post-vesting holding lock, the consideration paid, including any directly attributable costs is deducted from equity, net of any related income tax effects.

Allocated shares also include shares purchased on behalf of the Directors under the Voluntary Share Purchase Plan.

Unallocated shares

Unallocated shares represent those shares that have been purchased by the Trustee to satisfy the potential future vesting of awards granted under the Group's Long-Term Incentive Plan. As the shares are unallocated, they are identified and accounted for as treasury shares (refer to Note 15 Contributed Equity and Reserves).

Accounting policies

For accounting purposes, the Trust is deemed to be controlled by Ansell Limited. Accordingly, transactions with the Group-sponsored Trust are consolidated into the Group's financial statements. In particular, the Trust's purchases of shares in Ansell Limited are debited directly to equity. The shares are held in the Trust until such time as they may be transferred to participants of the various Group share schemes.

In accordance with the Trust Deed, the Trustees have the power to exercise all voting rights in relation to any investment (including shares) held within the Trust.

23. Ownership-based Remuneration Schemes

Long Term Incentive (LTI) 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. In this year's LTI Plan grant, Restricted Stock Units (RSUs) were granted to senior management.

The fair value of PSRs and RSUs 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 and RSUs 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 and RSUs applicable for the 2022 financial year are as follows:

Instrument	Grant Date	Vesting Period	Fair Value	Share Price on Grant Date	Risk Free Interest Rate	Dividend Yield
PSRs	07/08/2019	3 years	A$23.78	A$25.88	N/A	2.88%
PSRs	18/08/2020	3 years	A$37.28	A$39.88	N/A	2.25%
PSRs	17/08/2021	3 years	A$36.95	A$40.55	N/A	3.10%
RSUs	17/08/2021	1 to 3 years	A$38.12	A$40.55	N/A	3.10%

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 RSUs are only subject to service conditions.

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

	2022 US$	2021 US$
Audit and review of the financial reports:		
Auditors of Ansell Limited and Australian entities – KPMG	**1,360,493**	1,388,803
Other member firms of KPMG[(i)]	**833,019**	797,422
	2,193,512	2,186,225
Other services[(ii)]:		
Other audit and assurance services		
Auditors of Ansell Limited and Australian entities – KPMG	**15,236**	41,786
Other member firms of KPMG	**–**	21,430
Taxation services		
Auditors of Ansell Limited and Australian entities – KPMG	**–**	5,596
Other member firms of KPMG	**17,371**	–
Total other services	**32,607**	68,812
Total auditors' remuneration	**2,226,119**	2,255,037

(i) Includes fees paid or payable for overseas subsidiaries' local statutory lodgement purposes, Group reporting, and other regulatory compliance requirements.

(ii) Other services primarily include assurance-based engagements undertaken for various compliance and internal governance purposes. Other services provided by KPMG to the Group are subject to appropriate corporate governance procedures encompassing the selection of service providers and the setting of their remuneration.

25. Subsequent Events

In the interval between the end of the financial year and the date of this report, there have been no matters or circumstances that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or Group's state of affairs, in the future years.

DIRECTORS' DECLARATION

OF ANSELL LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED 30 JUNE 2022

1. In the opinion of the Directors of Ansell Limited ('the Company'):
   (a) the consolidated financial statements and notes, set out on pages 75 to 122 and the Remuneration Report contained in the Report by the Directors, set out on pages 49 to 74, are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, for the year ended on that date; and
      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
   (b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and
   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the directors:

J A Bevan
Chairman

N I Salmon
Managing Director and Chief Executive Officer

Dated in Melbourne this 23rd day of August 2022.

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 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of Financial Position as at 30 June 2022
- Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- *Valuation of goodwill and brand names*
- *Taxation*

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of goodwill and brand names (USD $1,025.6m)	
Refer to Note 11 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

Valuation of goodwill and brand names is a key audit matter due to:
• The size of the balance being 41% of total assets.
• The inherent complexity in auditing the forward-looking assumptions applied to the Group's value in use (VIU) models for each CGU (cash generating unit) given the significant judgement involved. We focussed on the significant forward-looking assumptions the Group applied in their VIU models including forecast revenue growth rates, margin percentages and terminal growth rates due to market conditions and volatility in the current year and forecast period cash flows, increasing the risk of future fluctuations and inaccurate forecasting.
• The significant judgement associated with discount rates including the underlying risks of each CGU, the countries they operate in and the weighting applied to these countries.
 	
We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	Our procedures included:
	• We assessed the accuracy of prior period cash flow forecasts with reference to actual performance to inform our evaluation of current forecasts incorporated in the VIU models.
	• We considered the appropriateness of the VIU method applied by the Group to perform the annual test of goodwill and brand names for impairment against the requirements of the accounting standards.
	• Using our knowledge of the Group and industry, and working with our valuation specialists to challenge the significant judgements and assumptions incorporated in the Group's VIU models:
	  • We assessed the integrity of the VIU models used, including the accuracy of the underlying calculation formulas;
	  • We assessed the relevant cash flow forecasts and underlying assumptions against the latest Board approved plan;
	  • We challenged the Group's forecast revenue growth rate and margin percentage assumptions by comparing against the Group's current business performance and macroeconomic environment;
	  • We challenged the Group's significant forecast cash flow assumptions in light of the varying market conditions and expected volatility in the forecast period;
	  • We compared the implied multiples from comparable market transactions to the implied multiple from the Group's model;
	  • We compared the terminal growth rates used against relevant Gross Domestic Product growth rates and industry trends; and
	  • We independently developed a discount rate range using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in.

	• We assessed the Group's determination of CGU carrying values against the requirements of the accounting standards. • We evaluated the sensitivity of the models in respect of the key assumptions, including the identification of areas of estimation uncertainty and reasonably possible changes in key assumptions. • We assessed the related financial statement disclosures using our understanding obtained from our testing and against accounting standard requirements.

Taxation (Income Tax Expense USD $48.6m, Deferred Tax Assets USD $65.1m, Deferred Tax Liabilities USD $80.4m, Current Tax Liabilities USD $10.5m)	
Refer to Note 4 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

Taxation is a key audit matter due to:
• The Group undertaking transactions in a number of tax jurisdictions which require the Group to make significant judgements about the interpretation of tax legislation and the application of accounting standards.
• The nature of cross-border tax arrangements and our need to involve taxation specialists with cross border transactions experience and expertise in transfer pricing in key jurisdictions.
• The level of judgement applied by the Group in assessing the recoverability of deferred tax assets, given they relate to forecasting future profits.
 	
We involved our tax specialists to supplement our senior audit team members in assessing this key audit matter.
	Working with our tax specialists, our procedures included:
	• We identified key tax areas across jurisdictions impacting the Group by:
	  • considering the latest Board approved Group Tax Risk Management policy;
	  • attending regular meetings with Group management;
	  • assessing any significant developments with local tax authorities; and
	  • using our knowledge of tax developments in key jurisdictions and the global tax environment.
	• We evaluated the treatment of key judgemental tax matters in various key jurisdictions by analysing and challenging the assumptions used to determine tax provisions. We compared the treatment against local jurisdiction tax rules, legislation and compliance requirements.
	• We assessed the completeness of the tax provisions recorded by evaluating sources such as:
	  • communications from local tax authorities, including the status and outcomes of tax authority audits and enquiries; and
	  • underlying documentation for key transactions.

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	• 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 and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Ansell Limited for the year ended 30 June 2022, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included on pages 54 to 74 of the Directors' Report for the year ended 30 June 2022.

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

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Penny Stragalinos

Partner

Melbourne

23 August 2022

FIVE YEAR SUMMARY

OF ANSELL LIMITED AND SUBSIDIARIES AS AT 30 JUNE 2022

	2018[1] US$m	2019[1] US$m	2020[2] Restated US$m	2021 US$m	2022 US$m
Income Statement					
Sales	1,548	1,499	1,614	2,027	**1,952**
EBIT	557	157	217	338	**228**
Material item (gain)/expense[3]	(362)	46	–	–	**17**
Net financing costs	13	14	17	20	**20**
Income tax expense	58	30	42	69	**49**
Non-controlling interests	2	1	1	2	**1**
Profit attributable to Ansell Limited shareholders	484	112	157	247	**159**
Statement of Financial Position					
Cash – excluding restricted deposits	580	395	406	236	**203**
Other current assets	561	564	554	931	**782**
Property, plant and equipment	230	230	252	295	**299**
Right-of-use assets	–	–	56	61	**57**
Intangible assets	1,028	1,083	1,055	1,077	**1,049**
Other non-current assets	112	105	115	138	**116**
Assets held for sale	12	–	–	–	**–**
Total assets	2,523	2,377	2,438	2,738	**2,506**
Trade and other payables	223	226	255	403	**276**
Current interest bearing liabilities	–	20	50	–	**–**
Current lease liabilities	–	–	18	21	**18**
Other current liabilities	71	67	85	126	**66**
Non-current interest bearing liabilities	552	525	470	452	**426**
Non-current Lease liabilities	–	–	39	43	**41**
Other non-current liabilities	121	129	124	128	**122**
Liabilities held for sale	6	–	–	–	**–**
Total liabilities	973	967	1,042	1,173	**950**
Net assets	1,550	1,410	1,396	1,565	**1,557**
Contributed equity	1,052	874	806	769	**744**
Reserves	(82)	(86)	(120)	(85)	**(143)**
Retained Profits	564	610	698	867	**942**
Ansell Limited shareholders' equity	1,534	1,398	1,384	1,551	**1,543**
Non-controlling interests	16	12	12	14	**14**
Total shareholders' equity	1,550	1,410	1,396	1,565	**1,557**
Total funds employed	1,522	1,560	1,567	1,845	**1,840**
Share information					
Basic earnings per share (US cents)	336.8	82.6	120.2	192.2	**125.2**
Diluted earnings per share (US cents)	331.9	81.2	118.4	189.6	**123.8**
Dividends per share (US cents)	45.50	46.75	50.00	76.80	**55.45**
Net assets per share (US$)	10.9	10.7	10.9	12.3	**12.4**
General					
Net cash from operating activities	154	189	287	173	**222**
Capital expenditure	46	44	61	86	**68**
Shareholders (no.)	34,307	33,311	33,903	35,760	**46,555**
Employees (no.)	12,482	12,304	13,513	14,159	**14,158**
Ratios					
EBIT margin (%)	36.0	10.5	13.4	16.7	**11.7**
Return on average shareholders' equity (%)	35.0	7.6	11.3	16.8	**10.2**
EBIT return on funds employed (%) – ROCE	35.3	10.2	13.9	19.8	**12.4**
Average days working capital	82.1	84.3	78.7	79.3	**100.6**
Interest cover (times)	44.6	11.6	12.5	17.0	**11.6**
Net debt to shareholders' equity (%) – gearing	(1.8)	10.6	12.3	17.9	**18.2**
Number of shares at 30 June (million)	142	132	129	127	**126**

1. 2018 and 2019 represent the reported amounts from their respective years. 2018 includes continuing and discounted operations.

2. Restated on account of a change in accounting policy. Refer to Note 1 Summary of Significant Accounting Policies of the Group's audited FY21 Financial Statements.

3. 2018 material items are inclusive of restructuring costs ($24.1m), change in accounting estimate – development costs ($12.5m) and the gain on sale of the Sexual Wellness business ($398.2m) outlined within Note 3(b) Transformation and Change in Accounting Estimate and Note 18(b) Discontinued Operations of the Group's audited FY18 Financial Statements. 2019 material items are inclusive of restructuring and transformation costs ($37.2m) and asset impairment ($8.3m) outlined within Note 3(b) Transformation and Change in Accounting Estimate of the Group's audited FY19 Financial Statements. 2022 material item relates to the Russia Business Disruption and Exit outlined within Note 3(b) Russia Business Disruption and Exit of the Group's audited FY22 Financial Statements.

SHAREHOLDERS

Distribution of Ordinary Shareholders and Shareholdings

Details of quoted shares held in Ansell Limited as at 30 July 2022 are detailed below.

Size of Holding	Number of Shareholders	Number of Shares	Percentage of Total
1 – 1,000*	37,590	12,971,633	10.19
1,001 – 5,000	8,364	16,365,317	12.86
5,001 – 10,000	569	3,991,017	3.14
10,001 – 100,000	202	4,214,361	3.31
100,001 and over	33	89,726,423	70.50
Total	**46,758**	**127,268,751**	**100.00**

* Including 1,016 shareholders holding a parcel of shares of less than A$500 in value (7,980 shares), based on a market price of A$26.14 per unit.

Percentage of the total holdings of the 20 largest shareholders = 68.96%.

In addition to the foregoing, as at 30 June 2022, there were 3 members of the Executive Share Plan, holding a total of 2,900 plan shares. 2 members have shares paid to A$0.05 each, and 1 member has shares paid to both A$0.05 each and A$7.55 each.

Voting rights as governed by the Constitution of the Company provide that each ordinary share holder present in person or by proxy at a meeting shall have:

(a) on a show of hands, one vote only; and

(b) on a poll, one vote for every fully paid ordinary share held.

Twenty Largest Shareholders (as at 30 July 2022)

Rank	Registered Holder	Number of Fully Paid Shares	Percentage of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	32,838,929	25.80
2	J P Morgan Nominees Australia Pty Limited	18,304,332	14.38
3	Citicorp Nominees Pty Limited	18,200,942	14.30
4	National Nominees Limited	4,514,901	3.55
5	BNP Paribas Noms Pty Ltd <DRP>	3,512,957	2.76
6	HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	2,532,328	1.99
7	BNP Paribas Nominees Pty Ltd HUB24 Custodial Serv Ltd <Drp A/C>	1,485,653	1.17
8	CPU Share Plans Pty Ltd <Psr Nor Unallocated A/C>	1,399,288	1.10
9	Australian Foundation Investment Company Limited	1,078,865	0.85
10	Netwealth Investments Limited <Wrap Services A/C>	637,660	0.50
11	HSBC Custody Nominees (Australia) Limited - A/C 2	517,669	0.41
12	Australian Executor Trustees Limited <IPS IOOF Employer Super A/C>	363,766	0.29
13	Netwealth Investments Limited <Super Services A/C>	350,499	0.28
14	Custodial Services Limited <Beneficiaries Holding A/C>	331,105	0.26
15	Australian Executor Trustees Limited <No 1 Account>	320,262	0.25
16	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	306,042	0.24
17	Australian Foundation Investment Company Limited	290,000	0.23
18	Citicorp Nominees Pty Limited <Citibank NY ADR Dep A/C>	288,540	0.23
19	BNP Paribas Nominees Pty Ltd <Pitcher Partners DRP>	254,087	0.20
20	Mirrabooka Investments Limited	235,000	0.18
Top 20 Holders of Ordinary Fully Paid Shares		**87,762,825**	**68.96**
Total Remaining Holders Balance		**39,505,926**	**31.04**

Register of Substantial Shareholders (as at 17 August 2022)

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
12 August 2022	Allan Gray Australia Pty Ltd	14,417,217	11.33%
4 November 2021	State Street Corporation	6,665,183	5.21%

SHAREHOLDER INFORMATION

Annual Report

Ansell's Annual Report 2022 provides shareholders with a summary of the Group's operations and contains the full financial statements for FY22. The Annual Report 2022 provides a summary of the Group's financial performance, financial position, and financing and investing activities.

Ansell currently has an on market buyback program which stipulates that the Company cannot buyback more than 10% of its voting shares within the span of any twelve (12) month period.

Ansell Limited has opted to deliver its Annual Report by making it available on the Ansell website, www.ansell.com.

Shareholders are entitled to receive a printed copy of the Annual Report, but the Company will only send a printed copy to shareholders who elect to receive one.

Shareholders can also access other information pertaining to the Company and its activities from its website at www.ansell.com.

Change of Address

Shareholders should notify the Company in writing immediately if there is a change to their registered address.

For added protection, shareholders should quote their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

Dividend

A final dividend of US31.20 cents per share will be paid on 15 September 2022 to shareholders registered on 30 August 2022.

The dividend will be unfranked.

Australian and US shareholders must elect to have cash dividends paid directly into any bank, building society or credit union account in Australia and the US (respectively). Shareholders with a registered address in Canada can receive their dividends in US dollars.

Company Directory

The Annual Report and the Company's website are the main sources of information for investors. Shareholders who wish to contact the Company on any matter relating to its activities are invited to contact the most convenient office listed below, or contact the Company via its website at www.ansell.com.

Investor Relations Contact

Australia – Registered Company Office

Ms Anita Chow

Ansell Limited
Level 3, 678 Victoria Street
Richmond VIC 3121

Telephone: +61 3 9270 7229

Facsimile: +61 3 9270 7300

Email: anita.chow@ansell.com

Europe

Mr Zubair Javeed

Ansell Limited
Boulevard International 55
1070 Anderlecht, Belgium

Telephone: +32 2 528 75 85

Facsimile: + 32 2 528 74 01

Email: zubair.javeed@ansell.com

Company Secretary

Australia – Registered Company Office

Ansell Limited
Level 3, 678 Victoria Street
Richmond VIC 3121

Ms Catherine Stribley

Telephone: +61 3 9270 7125

Facsimile: +61 3 9270 7300

Email: catherine.stribley@ansell.com

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 Securities Exchange.

Registered Office

Company Secretary

Catherine Stribley

Level 3, 678 Victoria Street
Richmond VIC 3121 Australia

Americas Commercial Hub

Commercial contact

Renae Leary

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John Marsden

Prima 6, Prima Avenue
Block 3512, Jalan Teknokrat 6
63000 Cyberjaya Malaysia

2023 Financial Calendar*

Half year results announcement	14 February 2023
Ex-dividend share trading commences	20 February 2023
Record date for interim dividend	21 February 2023
Interim dividend paid	9 March 2023
Annual results announcement	15 August 2023
Ex-dividend share trading commences	21 August 2023
Record date for final dividend	22 August 2023
Final dividend paid	7 September 2023
Closing date for nomination of Directors for election	7 September 2023
Annual General Meeting	26 October 2023

* 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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