

CHAIRMAN'S REVIEW



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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



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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