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# Sustainability & Risk Committee Charter

Ansell Limited ACN 004 085 330

Adopted by the Board on 11 February 2020

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## 1 Role and authority of the Committee

- (a) The Sustainability and Risk Committee (**Committee**) is a committee of the board (**Board**) of Ansell Limited (**Ansell** or **Company**) established in accordance with clause 46 of Ansell's constitution (**Constitution**) and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time. The Committee is accountable to the Board for its performance.
- (b) Proceedings and meetings of the Committee will be governed by the provisions of the Constitution for regulating the meetings and proceedings of the Board in so far as they are applicable and not inconsistent with this Charter.
- (c) The Committee assists the Board in fulfilling its corporate governance responsibilities in relation to:
  - (i) the Company's risk, ensuring oversight by the Board with regards to the risk management framework, risk appetite and risk tolerance levels of the Company by monitoring and advising on the management of all material business risks, including but not limited to strategic, operational, reputational, ethical, environmental, legislative or regulatory or market-related risks; and
  - (ii) the Company's corporate social responsibility (**CSR**) and sustainability policies and practices. For Ansell, corporate social responsibility means having a degree of responsibility not only for the economic consequences of the Company's activities, but also for the social and environmental implications.
- (d) The Committee's principal function is one of review, oversight and monitoring.
- (e) The Committee is empowered to investigate any matter as it determines necessary to carry out its duties, with full access to all books, records, company operations, and employees of Ansell.
- (f) The Committee will refer to the Audit & Compliance Committee and the Human Resources Committee any matters that have come to the attention of the Committee that are relevant for those other committees.
- (g) The Committee may, in its discretion, delegate some of its duties and responsibilities to a sub-committee or individual member of the Committee.

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## 2 Membership

- (a) The Committee should to the extent practicable given the size and composition of the Board from time to time, comprise of:
  - (i) at least three members;
  - (ii) non-executive directors; and
  - (iii) a majority of directors who are independent.
- (b) Membership of the Committee is as approved by the Board.

- (c) The chair of the Committee (**Committee Chair**) should be nominated by the Board and be an independent director.
  - (d) The Committee Chair should not be the same person as the Chairman of the Board or the Chair of the Audit & Compliance Committee and the members of the Committee should not be exactly the same as the members of the Audit & Compliance Committee.
  - (e) Members will be appointed for a fixed period of no more than three years, with Committee members generally being eligible for re-appointment for so long as they meet the relevant criteria.
  - (f) The appointment and removal of Committee members is the responsibility of the Board.
  - (g) A Committee member may resign as a member of the Committee upon reasonable notice in writing to the Committee Chair.
  - (h) If a Committee member ceases to be a director of the Company their appointment as a member of the Committee is automatically terminated with immediate effect.
  - (i) Ansell's company secretary is secretary to the Committee (**Committee Secretary**).
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### 3 Meetings

- (a) The Committee will meet at least four times annually or as frequently as is required to undertake its role effectively. The Committee will disclose as at the end of each reporting period the number of times the Committee met throughout that period and the individual attendances of Committee members at those meetings.
- (b) Any Committee member may, and the Committee Secretary must upon request from any member, convene a meeting of the Committee.
- (c) A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all Board Members) at least seven days prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.
- (d) In addition to the members of the Committee, other independent directors of the Board are encouraged to attend Committee meetings and will receive copies of each notice of meeting and relevant supporting papers for the items to be discussed at the meeting upon request.
- (e) The Committee may invite any executive director, executive or other staff member to attend all or part of a meeting of the Committee. However, any such person attending a meeting of the Committee must not be present during discussions on matters in which they could have an interest or potential conflict of interest.
- (f) The proceedings of all meetings will be minuted by the Committee Secretary. The Committee Secretary shall distribute full minutes to all Committee members, non-executive directors and the Chairman of the Board, after preliminary approval has been received from the Committee Chair. Extracts of minutes and supporting schedules will be provided to management as required for action. Agendas and supporting papers will be made available to any director upon request to the Committee Secretary, provided that no conflict of interest exists.
- (g) A quorum for any meeting will be at least two Committee members, either in person or via telephone, video conference or any other technology as considered appropriate by the Committee Chair.
- (h) The Committee may, in its discretion, delegate some of its duties and responsibilities to a sub-committee or individual member of the Committee.

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## 4 Education

The Company will assist the Committee in maintaining the appropriate level of skills and knowledge amongst the Committee members by providing Committee members with appropriate educational opportunities and resources, as reasonably requested by the Committee.

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## 5 Duties and responsibilities

### 5.1 Risk

- (a) The Committee's key responsibilities and functions in respect to the Company's risk management principles, policies, processes and practices are set out below:
- (i) Report to the Board on whether:
    - A. adequate systems are in place for the effective identification and assessment of all areas of potential material business risk;
    - B. adequate policies, processes and procedures have been designed and implemented to manage identified material risks; and
    - C. appropriate action is undertaken to bring the identified material risks within the Company's risk tolerance levels.
  - (ii) Oversee, agree and recommend for Board approval a risk management framework consistent with the agreed Company risk appetite and risk tolerance levels (for material business risk exposures);
  - (iii) Monitor the risk profile of the Company against the agreed Company risk appetite and risk management framework;
  - (iv) Oversee the design and implementation of the risk management framework and internal control systems, in conjunction with existing business processes and systems, to manage the Company's material business risk exposures;
  - (v) Oversee the establishment of processes and procedures for the monitoring and evaluation of the Company's risk management systems to assess the effectiveness of those systems in minimising material risks that may impact adversely on the business objectives of the Company;
  - (vi) Establish reporting guidelines for management to report to the Committee on the effectiveness of the management of the Company's material business risk exposures;
  - (vii) Evaluate the adequacy and effectiveness of the Company's risk management systems by reviewing the Company's risk registers;
  - (viii) Review and make recommendations on the strategic direction, objectives and effectiveness of the Company's risk management policies;
  - (ix) Evaluate the Company's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
  - (x) Review the adequacy of the Company's insurance program at least annually, having regard to the Company's business and the insurable risks associated with the Company's business;

- (xi) Receive reports from management concerning changes anticipated by management in the economic, business and regulatory environment and other factors considered relevant to the future strategy and capital requirements of the Company, in order to assess and evaluate the potential impact on the strategy and business objectives of the Company;
- (xii) Receive reports from management concerning the implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives, in order to assess and evaluate the potential impact on the strategy and business objectives of the Company; and
- (xiii) In conjunction with the Audit & Compliance Committee:
  - A. receive and review the litigation report to ascertain any implications for internal controls and reporting obligations;
  - B. review and discuss with management the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs, conflicts of interest and related party transactions, the compliance with the Company's values and related behaviours and the global Code of Conduct; and
  - C. review the adequacy of the Company's policies and practices for detecting, reporting and preventing fraud and serious breaches of business conduct and the Company's whistleblowing procedures and reporting to the Committee,within the domain the Committee's risk oversight responsibilities.
- (b) The Audit & Compliance Committee has responsibility for oversight of matters related to the financial accounting, financial reporting, external auditor and internal audit processes, internal control system and financial and tax risk management practices of the Company. The Committee will refer to the Audit & Compliance Committee any matters that come to its attention that are the domain of the or relevant to the Audit & Compliance Committee. In particular:
  - (i) the Committee Chair shall coordinate with the Chair of the Audit & Compliance Committee to assist the Audit & Compliance Committee in its review of the Company's risks that have been delegated to the Audit & Compliance Committee in its charter. The Audit & Compliance Committee shall report to the Committee in that regard.
  - (ii) all compliance issues considered by the Committee shall be reported to the Audit & Compliance Committee for review from a financial accounting and reporting perspective.
- (c) Management is responsible for the preparation, presentation and integrity of information and all matters about which the Committee should be informed. Management is responsible for implementing and maintaining appropriate risk management principles, policies, procedures and internal control systems designed to identify and address material risks consistent with the risk management framework as determined by the Committee.

## 5.2 CSR & Sustainability

- (a) The Committee's key responsibilities and functions in overseeing the Company's corporate social responsibility policies and practices are set out below:
  - (i) to establish appropriate corporate responsibility standards, policies and programs;
  - (ii) to review and discuss with management the Company's global corporate social responsibility priorities, plans and progress;
  - (iii) to consider corporate social responsibility and sustainability issues that may have strategic, business and reputational implications for Ansell and review appropriate measures and responses, and ensure the Company's strategic plan and business goals have adequately considered the Company's corporate social responsibility and sustainability policies, priorities and plans;

- (iv) to monitor and review the operation and effectiveness of Ansell's corporate social responsibility and sustainability policies and programs and seek assurance that they align with relevant legislation and industry standards;
  - (v) to review appropriate corporate social responsibility and sustainability objectives, targets and strategies;
  - (vi) to review the annual Corporate Social Responsibility & Sustainability Report;
  - (vii) to monitor emerging key sustainability trends and risk areas and receive periodic reports from management and external parties on the same, making recommendations to the Board as necessary;
  - (viii) to receive periodic reports from management on other corporate social responsibility topics, including Ansell's philanthropy program;
  - (ix) to periodically review corporate social responsibility compliance issues and incidents;
  - (x) to review results of corporate social responsibility audits and management's activities;
  - (xi) to investigate, or cause to be investigated, any extraordinary negative corporate social responsibility performance where appropriate; and
  - (xii) to oversee management's reporting and disclosure with respect to corporate social responsibility and sustainability matters made in compliance with securities laws and other human rights/environmental requirements.
- (b) The Sustainability & Risk Committee and the Audit & Compliance Committee will be required to work collaboratively to ensure linkage and alignment between climate and climate-related mitigation activities (Sustainability & Risk Committee) and TCFD and any other finance-required disclosures (Audit & Compliance Committee).
- (c) The Committee shall perform other duties and activities that it or the Board considers appropriate in the context of these terms of reference.
- (d) Management is responsible for the preparation, presentation and integrity of information and all matters about which the Committee should be informed. Management is responsible for implementing and maintaining appropriate corporate social responsibility principles, policies, procedures and internal systems as determined by the Committee.
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## 6 Powers

The Committee has the power to:

- (a) approve, review, and recommend changes/amendments to principles, policies, strategies, processes and control frameworks for the management of risks of the Company;
- (b) approve, review, and recommend changes/amendments to principles, policies, strategies, processes and frameworks in respect of the Company's risk and corporate social responsibility policies and practices;
- (c) approve, or recommend any changes to, the Company's risk appetite and risk tolerance levels, as appropriate;
- (d) sub-delegate, for clearly specified corporate social responsibility or risk focus sub-areas, the powers and discretions of the Committee to another Committee of the Board; and
- (e) sub-delegate the powers and discretions of the Committee to executives of the Company.

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## 7 Reporting

- (a) The Committee will:
  - (i) regularly report to the Board on all matters relevant to the Committee's role and responsibilities; and
  - (ii) report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee; and
  - (iii) advise the Board in a timely manner of any matters or recommendations requiring the attention of the Board and will ensure that the Board is made promptly aware of any matters brought to the attention of the Committee that may significantly impact the Company.
- (b) Minutes of Committee meetings and/or reports of the actions of the Committee (as appropriate) will be included in the papers for the next Committee meeting.
- (c) All Committee papers and minutes of Committee meetings will be available for inspection by any director of the Company on request.

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## 8 Access to information and independent advice

- (a) The Committee may seek any information or advice it considers necessary to fulfil its responsibilities.
- (b) The Committee has access to the Company's management, to seek explanations and information from them.
- (c) The Chief Financial Officer and Committee Secretary shall have access to the Committee as the Chief Financial Officer or the Committee Secretary requires.
- (d) Each Committee member may obtain independent professional advice at the Company's expense on matters arising in the course of their Committee duties, provided such advice is necessary or appropriate, after obtaining the Committee Chair's approval (or where the Committee member seeking such advice is the Committee Chair, after obtaining the approval of the Chairman of the Board). The Committee Chair will consider the request for independent professional advice in consultation with the Chairman of the Board and the CEO/Managing Director. Whenever practicable, the advice must be commissioned in the joint names of the Committee member and the Company, and a copy of any such advice should be provided to the entire Committee. The other Committee members must be advised if the Committee Chair's approval (or approval of the chair of the Board, as applicable) is withheld.
- (e) The Committee has authority to reasonably require management or others to attend Committee meetings and to provide any information or advice that the Committee requires.'

## **9 Reviews, changes to and publication of Charter**

- (a) The Committee will review this Charter and activities of the Committee as often as it considers necessary (but at least every year) to ensure it remains effective, relevant to the current needs of the Company, and complies with changes in the corporate governance environment. The Committee will recommend any amendments to the Board for formal adoption.
  - (b) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.
  - (c) The Charter will be made available on the Company's website.
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## **10 Review and Committee performance**

- (a) The Board will, at least once in each year, review the membership of the Committee and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.
- (b) The Committee shall make an evaluation of its performance at least once every year to determine whether it is functioning effectively by reference to current best practice. The Governance Committee shall oversee this assessment, with a view to ensuring that the evaluation processes accord with best practice. Such evaluation will have regard to, amongst other matters, the extent to which the Committee has met its responsibilities in this Charter.