

Corporate Governance Statement 2020



Grow a better tomorrow

Corporate Governance Statement

1 Introduction

Nufarm is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board considers that Nufarm's governance framework and adherence to that framework are fundamental in demonstrating that the Directors are accountable to shareholders, are appropriately overseeing the management of risk and promoting a culture of ethical, lawful and responsible behaviour within Nufarm.

This section of the Annual Report outlines the governance framework of Nufarm Limited and its controlled entities (Nufarm or Company) for the year ended 31 July 2020.

In 2020, the Board undertook an externally facilitated Board review. One of the outcomes from this review was a restructuring of the Board Committees. The responsibilities of the Audit and Risk Committee were separated into a separate Audit Committee and a newly created Risk and Compliance Committee incorporating an expanded scope of assisting the Board in overseeing all aspects of risk, both financial and non-financial (including health, safety and environment risks previously within the scope of the Health, Safety and Environment Committee) as well as overseeing compliance management within Nufarm. The Audit Committee retained responsibility, however, for oversight of financial controls associated with financial risk. The scope of the Human Resources Committee and Nomination and Governance Committee responsibilities have been expanded which is discussed further in sections 3.2 and 3.3.

In addition, all governance policies were reviewed to ensure that they reflect a high standard of corporate governance and comply with the ASX Corporate Governance Principles and Recommendations (ASX Principles). Nufarm, as a listed entity is required to comply with the Corporations Act (Cth), the ASX Listing Rules and other Australian and international laws and is required to report on the extent to which it has complied with the ASX Principles. During financial year 2020 Nufarm complied with all current ASX Principles and, where appropriate, early adopted the fourth edition of the ASX Principles released in February 2019.

Nufarm's key governance documents, including the Constitution, Board and Board Committee Charters and key policies are available on the Company's website at <https://nufarm.com/investor-centre/corporate-governance/>.

The Corporate Governance Statement has been approved by the Board.

2 Board of directors

2.1 Board role and responsibilities

The Constitution provides that the business and affairs of Nufarm are to be managed by or under the direction of the Board. Ultimate responsibility for governance and strategy rests with the Board. The role of the Board is to represent shareholders and to demonstrate leadership and approve the strategic direction of Nufarm. The Board is accountable to the shareholders for the Company's performance and governance.

The Board has adopted a formal Board Charter which sets out the Board's key responsibilities, the matters the Board has reserved for its own consideration and decision-making and the authority it has delegated to the Managing Director and Chief Executive Officer (CEO). The Board's responsibilities, as set out in the Board Charter, include:

- Appointment and termination of the CEO and the Company Secretary and ratification of the appointment of the Chief Financial Officer (CFO) and Key Management Personnel (KMP) and the terms of their employment contracts including termination payments;
- Approving the remuneration policies and practices of the Board, the CEO and the CEO's direct reports;
- Approving commitments, capital and non-capital items, acquisitions and divestments above authority levels delegated to the CEO;
- Approving the overall capital structure of Nufarm including any equity related transactions and major financing arrangements;
- Approving the annual and half year financial and director reports including the full year operating and financial review, remuneration report and corporate governance statement;
- Approving the dividend policy and determining the dividends to be paid;
- Approving management's development of corporate strategy;
- Reviewing and approving the annual budget, strategic business plans, balance sheet and funding strategy;
- Approving the succession plans and processes for the Chairman, Directors, CEO and the CEO's direct reports;
- Approving the Diversity and Inclusion Policy and measurable objectives for achieving diversity across Nufarm and monitoring progress in achieving those objectives;
- Approving Board governance policies including Continuous Disclosure Policy, Code of Conduct, Anti-Bribery Policy and Whistleblower Policy;
- Approving ASX releases as set out in the Continuous Disclosure Policy;
- Appointing the Chairman of the Board; and
- Appointing Directors to casual vacancies and recommending their election to shareholders at the next Annual General Meeting.

A copy of the Board Charter which sets out the role and responsibilities of the Board in more detail can be found in the Corporate Governance section of Nufarm's website.

Delegation to management

The Board has delegated to the CEO responsibility for the day-to-day management of the Company's affairs and implementation of the strategic objectives, the annual budgets and policy initiatives. The CEO is accountable to the Board for all authority delegated to management and for the Company's performance. The CEO is required to operate in accordance with Board approved policies and delegations of authority and management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. The CEO is required to report to the Board in a spirit of openness and trust and is required to ensure that all decisions are made lawfully, ethically and responsibly.

2.2 Board meetings and attendance

The Board meets as often as required. During the reporting period, the Board met 11 times. Regularly scheduled meetings are generally held face to face on one day. The impact of COVID-19 resulted in more frequent meetings being held via electronic means and for shorter periods.

In addition to the Company Secretary, the CFO regularly attends all Board meetings by invitation. Other members of management attend meetings by invitation. During regularly scheduled meetings, the Board holds a closed session (attended by Non-executive Directors only), which provides Non-executive Directors with an opportunity to raise issues in the absence of management.

Details of attendance at Board and standing Board committee meetings during FY2020 are set out in the following table:

Board and Board Committee attendance in FY20

	Board		Audit and Risk ¹		Audit ²		Health, Safety and Environment Committee ³		Risk and Compliance ⁴		Nomination and Governance		Human Resources Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Anne Brennan	10	11	5	5	1	1						1	5	5
Gordon Davis	11	11	5	5	1	1	2	2	1	1		2	5	5
Frank Ford	11	11	5	5	1	1					6	6		
John Gillam ⁵	0	0												
Greg Hunt	11	11		5		1		2		1				4
Peter Margin	11	11	5	5		1			1	1	4	5	5	5
Marie McDonald	11	11	5	5	1	1	2	2	1	1	6	6		3
Donald McGauchie	11	11		4		1		2		1	6	5	5	5
Toshikazu Takasaki	11	11					2	2	1	1				

Column A: indicates the number of scheduled or ad-hoc meetings held during the period the Director was a member of the Board and/or Committee. Where a Director is not a member but attended meetings during the period, then only the number of meetings attended rather than held is shown.

Column B: indicates the number of scheduled or ad-hoc meetings attended by Director.

1. Audit and Risk Committee in place up to 24 March 2020.
2. Audit Committee established 25 March 2020.
3. Health and Safety Committee responsibilities incorporated into Risk and Compliance Committee from 25 March 2020.
4. Risk and Compliance Committee replaced risk responsibilities of Audit and Risk Committee and incorporated Health, Safety and Environment Committee from 25 March 2020.
5. John Gillam joined the Board on 31 July 2020.

Key Activities undertaken by the Board during the year

The Board considered a range of matters during FY20, including:

- placement of \$97.5 million preference securities to existing shareholder, Sumitomo Chemical Company (**Sumitomo**), through a wholly owned subsidiary Nufarm Investment Limited;
- the divestment of the Company's South American crop protection and seed treatment operations in Brazil, Argentina, Colombia and Chile to Sumitomo for \$1,188 million;
- appointment of the Independent Expert, and recommending shareholders vote in favour of the divestment of the Company's South American crop protection and seed treatment operations to Sumitomo and the acquisition of the \$97.5 million preference securities from Sumitomo;
- participating in the external Board evaluation process and agreeing to several improvements including changes to the Board Committee structure;
- agreeing to adopt an updated Board Charter, a new Audit Committee Charter, a new Risk and Compliance Committee, an updated Nomination and Governance Committee Charter and an updated Human Resources Committee Charter and approving changes to the Committee membership;
- agreeing to adopt a new Continuous Disclosure Policy;
- participating in the Chairman succession process concluding with the appointment of John Gillam as a Non-executive Director from 31 July 2020 and as Chairman from 24 September 2020;
- adopting a new Board skill matrix;
- participating with management in the annual review of strategy and monitoring management's execution of strategy;
- overseeing the financial performance and key metrics of the Company including receiving regular updates of the impact of COVID-19 on the Company;
- overseeing the changes to the risk management system including approving an updated risk appetite statement for management to operate within;
- approving the ceasing of manufacture of insecticides and fungicides at the Raymond Road site in Laverton, Australia and 2,4-D synthesis at Linz in Austria; and
- agreeing to amend the Company's financial year end from 31 July to 30 September.

Corporate Governance Statement continued

2.3 Board composition

The Board currently has eight Non-executive Directors and the CEO. Details of the Directors, including their qualifications, experience, date of appointment and independent status are set out below. The Constitution provides that the Company is not to have more than 11 or less than three directors. Detailed biographies of each Director can be found in the Annual Report at pages 18-19.

Sumitomo Chemical Company, as a major shareholder in the Company, is entitled to have one nominee Director on the Board. Toshikazu Takasaki is Sumitomo's current nominee and is therefore not considered independent.

In assessing the composition of the Board regard is given to the following principles:

- the role of the Chairman and the CEO should not be filled by the same person;
- the Chairman must be an independent Non-executive Director;

2.4 Director skills, experience and attributes

The key attributes that Directors must possess are set out in the Board Charter and include:

- honesty, integrity and a proven track record of creating value for shareholders;
- an ability to apply strategic thought;
- a preparedness to debate issues openly and constructively and to question, challenge and critique;
- a willingness to understand and commit to the governance framework of the Company; and
- an ability to devote sufficient time to properly carry out the role and responsibilities of the Board.

- the CEO must be a full-time employee of the Company;
- the majority of the Board must be independent Non-executive Directors; and
- the Board should represent a broad range of qualifications, experience, expertise and diversity.

Changes during the year

During the year, Donald McGauchie announced his intention to retire as a Non-executive Director and Chairman of the Board at an appropriate time that allows for an orderly transition to a new Chairman. In addition, Anne Brennan has advised that she will retire at the 2020 Annual General meeting. The Board, with the assistance of the Nomination and Governance Committee actively progressed Board succession planning this year, including Chairman succession. John Gillam was appointed as a Non-executive Director from 31 July 2020 and will succeed Donald McGauchie as Chairman on 24 September 2020.

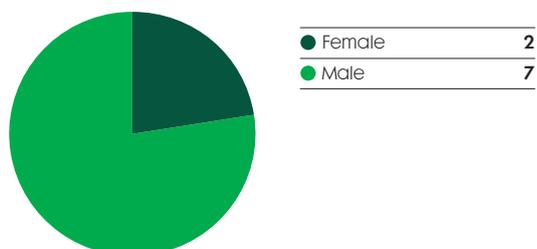
Name of Director	Tenure as at 31 July 2020	Qualifications	Independent Status
Donald McGauchie (Chairman)	16 years 7 months	AO	Independent
Anne Brennan	9 years 5 months	BCom (Hons), FCS, FAICD	Independent
Gordon Davis	9 years 2 months	BForSc, MAGSc, MBA	Independent
Frank Ford	7 years 9 months	MTax, BBus, FCA	Independent
John Gillam	1 day	BCom, MAICD, FAIM	Independent
Greg Hunt (Managing Director and CEO)	5 years 2 months		Executive
Peter Margin	8 years 10 months	BSc (Hons), MBA	Independent
Marie McDonald	3 years 4 months	BSc (Hons), LLB (Hons)	Independent
Toshikazu Takasaki	7 years 7 months	BBA	Non-Independent

Skills matrix

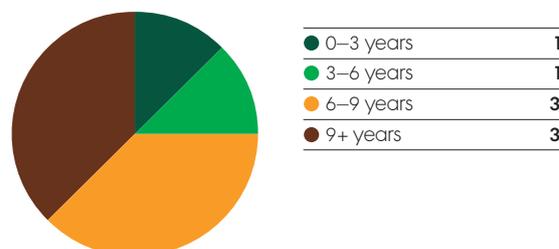
During FY2020, as part of the ongoing succession planning for the Board, the Nomination and Governance Committee undertook a review of the Board skills matrix which took into consideration the skills and experience the Board currently requires but also the skills and experience that will be required for the Company during its next phase of development. The new Board skills matrix and the assessment of the current Directors is included below.

Skills/Experience	No of Directors with skill
Manufacturing & Integrated Supply Chain Management in High Risk Environment Relevant experience in international manufacturing and/or integrated supply chain management including demonstrated ability to improve production systems.	7
Customer Relations Relevant international experience in customer service delivery and/or marketing of products, including brand marketing, e-commerce and use of digital technology.	6
R&D, Innovation, Seed Technologies and Commercialisation Experience in R&D, seed technologies or emerging technologies including commercialisation.	5
Agricultural experience Experience in crop protection or agricultural industry obtained through a large international company.	6
Finance Board audit experience or a senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls/audit.	9
Risk Relevant experience and understanding of risk management frameworks and controls, including HSEC and sustainability, and the ability to oversee mitigation strategies and identify emerging risks.	9
Mergers, Acquisitions, JVs, Partnerships, Alliances, Divestments & Integrations Relevant experience in merger and acquisition transactions (including JV's etc) raising complex financial, regulatory and operational issues.	8
Strategy and Transformation Experience in developing and implementing successful strategies and/or transformation in a complex environment to deliver a sustained and resilient business.	8
Corporate Governance and Compliance Experience serving on boards in different industries, including publicly listed. Awareness of leading practice in corporate governance and compliance with a demonstrated commitment to achieving those standards.	8
Regulatory, Government, Public Policy Relevant experience identifying and managing legal, regulatory, public policy and corporate affairs issues.	7
People, culture and remuneration Relevant experience overseeing or implementing a company's culture and people management framework, including succession planning and setting and applying remuneration policy and frameworks linked to strategy.	8

Diversity
(as at 31 July 2020)



Tenure of non-executive directors
(as at 31 July 2020)



2.5 Chairman

The Chairman of the Board is Donald McGauchie, an independent Non-executive Director.

The Chairman is responsible for the leadership of the Board and for encouraging a culture of openness and debate amongst the Directors to foster a high performing and collegiate Board. The Chairman also serves as the primary link between the Board and management.

The Board has been actively engaged in Chairman succession planning as Mr McGauchie advised his intention to retire as a Director and Chair in a time period that allowed for an orderly transition. John Gillam was appointed as a Non-executive Director effective from 31 July 2020 and will succeed Donald McGauchie as Chairman on 24 September 2020 when Donald McGauchie retires from the Board.

2.6 Board succession planning

The Board manages succession planning for Non-executive Directors with the assistance of the Nomination and Governance Committee and for the CEO with the assistance of the Human Resources Committee.

During FY2020 the Board introduced a non-executive tenure policy that provides for non-executive directors to retire after nine years (or twelve years in the case of a Chairman who has served in the role of Chair for less than six years) from the first date of election of shareholders. The Board may in exceptional circumstances, exercise discretion to extend the maximum term where it considers such an extension is in the best interests of the Company.

All Non-executive Directors are required to stand for re-election every three years. The Nomination and Governance Committee will undertake a review of the Directors retiring by rotation and make a recommendation to the Board on whether their re-election is to be supported. The Company provides all material information in its possession concerning the Director standing for re-election in the notice of meeting and accompanying explanatory notes.

During FY2020, in addition to Donald McGauchie's advice that he will be retiring from the Board, Anne Brennan advised her intention to retire as a Director at the 2020 Annual General Meeting. Both Gordon Davis and Peter Margin have been on the Board for a period of nine years and have advised that they will stand for re-election at the 2020 Annual General Meeting but do not intend to serve the full term to allow for a period of Board renewal. John Gillam was appointed as a Non-executive Director on 31 July 2020 and will succeed Donald McGauchie as Chairman on 24 September 2020 when Donald McGauchie retires from the Board.

In undertaking the Board renewal and identifying suitable candidates for appointment to the Board, the Nomination and Governance Committee will take into account the gaps identified in the Board skills matrix.

2.7 Director independence

The Board is committed to ensuring the majority of Non-executive Directors are independent. The Board considers Directors to be independent where they are independent of management and free from any interest, position, association or relationship that might influence or might reasonably be perceived to interfere with the exercise of their unfettered and independent judgement.

During FY2020 all Non-executive Directors, except for Toshikazu Takasaki, who is a nominee of Sumitomo, a substantial shareholder in the Company, were considered to be independent.

2.8 Conflict of interest

The Board has in place a procedure to ensure Directors disclose any conflicts of interest and if appropriate, the conflict can be authorised. In the event a Director does have an actual or potential conflict, the Director does not receive the relevant Board or Committee papers and must absent themselves from the room when the Board or Committee discusses and votes on matters subject to the conflict. This protocol continues unless the other Directors resolve otherwise. The director cannot access the minutes of the Board or Committee meeting in relation to the conflict.

The Board has in place an information exchange protocol with Sumitomo Chemical Company to ensure that the Sumitomo nominee Director can discharge their duties as a Director while also ensuring that they do not receive any competitive information or participate in discussions regarding competitive information.

2.9 Director appointment, induction training and continuing education

When considering new appointments to the Board, the Nomination and Governance Committee oversees the preparation of a role description which includes the key attributes identified in the Board Charter and the relevant skills taking into account the principles set out in section 2.3 and any gaps identified in the Board skills matrix. This role description is provided to an external search firm who assists in undertaking the search.

When suitable candidates are identified, the Nomination and Governance Committee will interview a short list of candidates before making a recommendation to the Board. All Directors will interview the candidate prior to the Board considering the formal appointment.

All Non-executive Directors on appointment are required to sign a letter of appointment which sets out the terms and conditions of their appointment including;

- duties and responsibilities of a Director;
- participation in induction training and continuing education;
- remuneration;
- expectation around time commitments for the Board and relevant Committee meetings;
- the requirement to disclose Directors' interests on an ongoing basis;
- access to professional advice; and
- indemnity, access and insurance arrangements.

Prior to appointment all Directors, including any new executive Directors, are subject to extensive background and screening checks. All new senior executive appointments are also subject to extensive background and screening checks.

With the exception of the CEO, all Directors appointed by the Board to a casual vacancy are required to stand for shareholder election at the next AGM. The Company provides all material information in its possession concerning the Director standing for re-election in the notice of meeting and accompanying explanatory notes.

Induction training is provided to all new Directors. This includes discussions with the CEO, CFO, Company Secretary and other senior executives and the option to visit the Company's sites in Australia on appointment or with the Board during an overseas Board meeting. Induction materials include information on the Company's strategy and financial performance, full information on the Board including all Board and Committee Charters, recent Board and Committee minutes, information on the risk management framework and the risk appetite statement approved by the Board, all Board policies including the Code of Conduct and the obligations of Directors.

All Directors are expected to undertake ongoing professional development to develop and maintain the skills and knowledge required to discharge their responsibilities. Directors are provided with information papers and presentations on developments in the law including continuous disclosure, industry related matters and any new emerging developments that may affect the Company.

2.10 Remuneration

Details of the Company's remuneration policy and practices and the remuneration paid to Directors and key management personnel are set out in the Remuneration Report on pages 39 to 53 of this Annual Report.

2.11 Board performance evaluation

The Board conducted a review using an external provider during FY2020. This review focused on Chairman succession, Board succession planning and board capabilities, board calendar and papers, executive succession planning and the structure of the Board Committees. The review included interviews and feedback with all directors including the CEO, CFO and the Company Secretary.

The Board agreed to a number of improvement measures which resulted in amendments to the Board Charter, the Nomination and Governance Committee Charter, the Human Resources Committee Charter and the establishment of a separate Audit Committee and a new Risk and Compliance Committee incorporating the Health, Safety and Environment Committee's responsibilities.

The Board review also resulted in a change in structure for Board meetings which has been implemented in the Board calendar of meetings for FY2021.

An assessment of Director performance is undertaken by the Nomination and Governance Committee with feedback sought from all Directors prior to the Board considering recommending a Director for re-election to shareholders at an Annual General Meeting.

2.12 Independent professional advice

The Board and its Committees may access independent experts and professional counsel for advice where appropriate and may invite any person from time to time to attend meetings.

2.13 Company Secretary

The details of the Company Secretary, including their qualifications, are set out in the Annual Report 2020 on page 19. The appointment and removal of the Company Secretary is a matter for the Board. The Company Secretary is accountable to the Board for the effectiveness of the implementation of the corporate governance processes, adherence to the Board's principles and procedures and coordinates all Board and Board Committee business, including agendas, papers, minutes, communication and filings. All Directors have direct access to the Company Secretary.

3 Committees

To assist the Board to carry out its responsibilities, the Board established an Audit and Risk Committee, a Nomination and Governance Committee, a Human Resources Committee and a Health, Safety and Environment Committee. During FY2020, the Board reconfigured the Committee structure and going forward the permanent Committees are:

- Audit Committee;
- Risk and Compliance Committee;
- Nomination and Governance Committee; and
- Human Resources Committee.

Each of the permanent Committees has a Charter which sets out the membership structure, roles and responsibilities and meeting procedures.

Generally, these Committees review matters on behalf of the Board and, as determined by the relevant Charter:

- refer matters to the Board for decision, with a recommendation from the Committee; or
- determine matters (where the Committee acts with delegated authority), which the Committee then reports to the Board.

The Company Secretary provides secretarial support for each Committee.

In addition to the changes to the standing Committee structure, changes were made to the membership of each Committee highlighted in the relevant section below.

3.1 Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in fulfilling its responsibilities in respect of the Company's financial reporting, compliance with legal and regulatory requirements, internal accounting and control systems, oversight of the effectiveness of the risk management framework and oversight of the external auditors and internal audit function.

In March 2020, the responsibilities of the Audit and Risk Committee were separated into an Audit Committee and a Risk and Compliance Committee. The key responsibilities and functions of the Audit Committee are:

- the integrity of the financial statements and financial reporting systems and processes of the Company and its related bodies corporate;
- the effectiveness of external audit including the external auditor's qualifications, performance, independence and fees;
- the effectiveness of the internal audit function and systems of internal control;
- compliance with tax obligations;
- the Company's systems for compliance with applicable legal and regulatory requirements within the Committee's area of responsibility; and
- other matters referred by the Board from time to time.

The key responsibilities and functions of the Risk and Compliance Committee are:

- the risk profile and risk appetite for the Company;
- in respect of both financial and non-financial risk, considering and recommending to the Board the Risk Management Framework (including the Health, Safety and Environment Framework);
- recommending for approval by the Board the Company's Risk Management Policy and Health, Safety and Environment Policy;
- overseeing compliance management; and
- receiving reports of any material breaches of the Anti-Bribery and Whistleblower Policies.

A copy of the Audit Committee Charter and Risk and Compliance Committee Charter which sets out role and responsibilities of the Committees in more detail can be found in the Corporate Governance section of Nufarm's website.

Membership and meetings

The Audit Committee consists of:

- a minimum of 3 members of the Board, all of whom are Non executive Directors;
- a majority of independent Directors (as defined in the Board Charter); and
- an independent chair, who is not Chair of the Board.

The members of the Audit and Risk Committee until March 2020 were:

Name	Membership status to March FY2020
Frank Ford (Chairman)	Member for the relevant period
Anne Brennan	Member for the relevant period
Gordon Davis	Member for the relevant period
Marie McDonald	Member for the relevant period
Peter Margin	Member for the relevant period

The members of the Audit Committee from April 2020 for the remainder of the period were:

Name	Membership status from April 2020
Frank Ford (Chairman)	Member for the relevant period
Anne Brennan	Member for the relevant period
Gordon Davis	Member for the relevant period
Marie McDonald	Member for the relevant period

At least one member of the Committee must have formal accounting qualifications with recent and relevant experience. The Committee as a whole is to have sufficient understanding of the industry in which Nufarm operates. The Board is satisfied that the current composition of the Committee satisfies this requirement.

The external auditors, the Chairman, the CEO, the CFO, the Group Financial Controller, the General Manager Group Risk and Assurance, the external internal audit partner and the head of Taxation attend meetings of the Committee at the invitation of the Committee Chair. All Board members are invited to attend the Audit Committee meetings at which the half year and annual financial statements and reports are considered.

The Risk and Compliance Committee consists of:

- a minimum of 3 members of the Board, all of whom are Non executive Directors; and
- a majority of independent Directors (as defined in the Board Charter).

The members of the Risk and Compliance Committee from April 2020 were:

Name	Membership status from April 2020
Gordon Davis (Chairman)	Member for the relevant period
Peter Margin	Member for the relevant period
Marie McDonald	Member for the relevant period
Toshikazu Takasaki	Member for the relevant period

The details of the relevant Committee meetings are included on page 22.

Activities during the year

The key activities undertaken by the relevant Committees during the year include:

- reviewing the scope, plan and fees for the external audit for the period and overseeing the work performed by the External Auditor;
- reviewing the independence and performance of the External Auditor;
- reviewing significant accounting, financial reporting and related issues raised by management, the head of the internal audit function and the External Auditor;
- reviewing the Company's key risks and risk management framework including adopting a revised risk appetite statement and confirming that the framework was sound and that the Company is operating with due regard to the risk appetite set by the Board;
- reviewing management reports on the Company's key financial and non-financial risks and risk management program including contemporary and emerging risks such as cyber-security, privacy and data breaches and climate change;

- monitoring developments in significant accounting, financial reporting and taxation matters and considering the implications for the Company;
- approving the internal audit plan for FY20 including amendments required in response to COVID-19 and reviewing the outcome of internal audit reviews and the plans to implement any remedial action;
- reviewing and monitoring improvements to the Company's internal control and accounting practices;
- reviewing and recommending to the Board the approval of the Company's annual and half year financial statements;
- endorsing to the Board the adoption of a new Audit Committee Charter and a Risk and Compliance Committee Charter; and
- approving the Whistleblower Policy.

External Audit

The Audit and Risk Committee reviewed the External Auditor's scope of work, including the external audit plan, to ensure it is appropriate, having regard to the Company's key risks. The External Auditor reports to the Committee at each meeting and is

given an opportunity to raise issues with the Committee in the absence of management. The Committee also reviews the performance and independence of the External Auditor on an annual basis. KPMG is the External Auditor.

The Committee has also adopted a policy on the provision of non-audit related services by the External Auditor which sets out the Company's approach to engaging the External Auditor for the performance of non-audit related services with a view to ensuring their independence is maintained.

A copy of the policy on the provision of non-audit related services by the External Auditor can be found in the Corporate Governance Section of Nufarm's website.

The External Auditor attends the Company's Annual General Meeting and is available to answer questions from investors relevant to the audit.

3.2 Nomination and Governance Committee

The role of the Nominations and Governance Committee is to assist the Board to oversee the composition, performance, succession planning of the Board as well as the induction and ongoing training for directors. The Committee also advises and makes recommendation to the Board in relation to the Company's corporate governance practices.

The Nominations and Governance Committee Charter was amended in March 2020 to expand the role of the Committee to include induction of new Directors and to include a separate Chair be appointed when the Committee is dealing with Chairman succession.

A copy of the Nomination and Governance Committee Charter can be found in the Corporate Governance section of Nufarm's website.

Membership and meetings

The Nomination and Governance Committee consists of:

- at least three independent Non-executive Directors;
- where the Board Chairman is the Committee Chair, he or she will not chair the Committee when it is dealing with the appointment of a successor to the Chair.

Donald McGauchie was the Chair of the Committee until March 2020 but as a major activity was Chairman succession, he was replaced by Marie McDonald from 24 March 2020.

The members of the Nomination and Governance Committee are:

Name	Membership status
Marie McDonald (Chairman)	Member for the entire period and Chair from 24 March 2020
Donald McGauchie	Member for the entire period and Chair from 1 August 2019 until 24 March 2020
Frank Ford	Member for the entire period
Peter Margin	Member from 18 February 2020

Activities during the year

The key activities undertaken by the Nomination and Governance Committee during the year include:

- overseeing the process of the external Board review;
- overseeing the process of succession planning for the Chairman including recommending the external recruitment firm;
- making recommendations to the Board regarding the directors seeking re-election at the 2020 Annual General Meetings;
- making a recommendation to the Board on adopting a new Continuous Disclosure Policy;
- making recommendations to the Board on changes to Committee membership;
- making a recommendation to the Board to adopt a new Committee Charter; and
- making a recommendation to the Board to appoint John Gillam as a Non-executive Director.

3.3 Human Resources Committee

The role of the Human Resources Committee is to assist the Board to perform its functions in relation to remuneration policies and practices, development, retention and termination arrangements for the CEO and KMP.

The Committee's key responsibilities and functions are to:

- oversee the Company's remuneration, recruitment, retention and termination policy and procedures and its application to the CEO and the KMPs;
- assess the performance of the CEO and assist the Chair with reviews of the CEO's performance;
- review and make recommendations to the Board on the CEO succession plans;
- review and make recommendations to the Board regarding the remuneration and benefits of Non-executive Directors;
- review the annual remuneration report;
- review and make recommendations to the Board on the Inclusion and Diversity Policy and the measurable objectives for achieving the inclusion and diversity outcomes; and
- make recommendations to the Board on the adoption of the Company's Code of Conduct.

During the period the Human Resources Committee Charter was updated to expand the role of the Committee to include the succession plans for the CEO's direct reports as well as receiving reports on any material breaches of the Code of Conduct.

The process to engage remuneration consultants is included in the Human Resources Charter who will provide independent remuneration advice, as appropriate, on Director fees and KMP remuneration, structure, practice and disclosure. Remuneration consultants are engaged directly by the Chair of the Human Resources Committee and report directly to the Committee.

A copy of the Human Resources Committee Charter which sets out further details on the roles and responsibilities of the committee, is available in the Corporate Governance Section of Nufarm's website.

Membership and meetings

The Committee must consist of:

- a minimum of 3 members of the Board, all of whom are Non-executive Directors;
- a majority of independent Directors; and
- an independent Director as Chair.

The members of the Committee during this period were:

Name	Membership status for FY2020
Peter Margin (Chairman)	Member for the entire period
Donald McGauchie	Member for the entire period
Anne Brennan	Member for the entire period
Gordon Davis	Member for the entire period

Non committee members, including members of management may attend meetings of the Committee at the invitation of the Committee Chair.

Activities during the year

The key activities undertaken by the Committee during the period in relation to the Company's remuneration framework, the policies and practices regarding the remuneration of Directors, as well as the contractual arrangements, remuneration and performance evaluation of other members of Key Management Personnel, are reflected in the Remuneration Report on pages 39 to 53. The progress against the Company's Inclusion and Diversity objectives are detailed in the Inclusion and Diversity section of this statement on pages 33 to 36.

3.4 Health, Safety and Environment Committee (up to March 2020)

The role of the Health, Safety and Environment Committee was to assist the Board in the effective discharge of its responsibilities in relation to health, safety and environment matters.

The Committee's key responsibilities and functions were:

- consideration of health, safety and environmental issues that may have a strategic business and reputational implication on the Company;
- reviewing the setting of appropriate health, safety and environment strategies and policies;
- monitoring compliance with the Company's Health and Safety Policy;
- reviewing significant health, safety and environment incident reports;
- monitoring the environmental performance of the Company's activities; and
- reviewing sustainability practice and performance.

The responsibilities of the Committee were combined into the Risk and Compliance Committee from April 2020 which are detailed in 3.1 above.

Membership and meetings

The Committee consisted of:

- a minimum of 3 members of the Board, all of whom are Non-executive directors;
- a majority of independent Directors and
- an independent Director as chair.

The members of the Committee during the relevant period were:

Name	Membership status to March FY2020
Gordon Davis (Chairman)	Member for the entire period
Marie McDonald	Member for the entire period
Toshikazu Takasaki	Member for the entire period

Non-committee members, including members of management attended meetings of the Committee at the invitation of the Committee Chair.

Membership of the Risk and Compliance Committee from April 2020 is detailed in 3.1 above.

4 Risk management and internal control

4.1 Approach to risk management and internal control

The Board recognises that the effective identification and management of risk reduces the uncertainty associated in executing the Company's business strategies.

The Company has introduced a risk management framework and policies and procedures which are based on concepts and principles identified in the Australia/New Zealand standard on Risk Management (AS/NZ ISO 31000:2009). The risk framework, policies and procedures set out the roles, responsibilities and guidelines for managing financial and non-financial risks associated with the Company's business and have been designed to provide effective management of material risks at a level appropriate to the Company's global business and have continued to be enhanced as the Group's operations develop and its range of activities expand. These risks include contemporary and emerging risks such as COVID-19, cyber-security, privacy and data breaches, increased geo-political risk and climate change.

The Risk Management Policy is available in the Corporate Governance Section of Nufarm's website.

Nufarm is committed to continuing to improve its enterprise risk management practices to protect and enhance shareholder value. During FY2020 an Executive Risk, Health, Safety and Environment Committee was established to assist with overseeing, directing and supporting the implementation and operation of the risk management framework and internal compliance and control system across the Company. The members of the Committee are the CEO (Chair), Chief Financial Officer, Group Executive Supply Chain Operations, Group Executive People and Performance, the Group Company Secretary and General Counsel, General Manager Global Risk Management and Assurance, General Manager, Global Sustainability and Quality and a Regional General Manager (on a rotational basis).

More information on Nufarm's financial and non-financial risks, including environmental, the approach to climate change and social related risks, is set out in the Annual Report 2020 on pages 14 to 17 and the Sustainability Report.

4.2 Risk management responsibilities

The Board is responsible for overseeing Nufarm's risk management framework, including both financial and non-financial risks and setting the risk appetite within which the Board expects management to operate. The Board is also responsible to satisfy itself that management has developed and implemented a sound system of internal controls.

The Board has delegated oversight of risk, including review of the effectiveness of internal control systems and risk systems to the Audit and Risk Committee up until March 2020. From March 2020 the Board has delegated oversight of the ongoing risk management program, procedures, auditing and adequacy and effectiveness of the enterprise risk management to the Risk and Compliance Committee and oversight of evaluating the adequacy and effectiveness of the internal control systems associated with financial risk to the Audit Committee.

The company's risk management framework, policies and procedures set out the roles, responsibilities and guidelines for managing financial and non-financial risks associated with the business. The framework, policies and procedures have been designed to provide effective management of material risks at a level appropriate to Nufarm's global business. The risk framework, policies and procedures will continue to be enhanced as the group's operations develop and its range of activities expands.

Nufarm's group risk management department, led by the General Manager Global Risk and Assurance, manages the implementation of this framework across the Company. The framework aims to deal adequately with contemporary and emerging risks, such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

Detailed risk profiles for key operational business units have been developed. These risk profiles identify the:

- nature and likelihood of specific material risks;
- key controls in place to mitigate and manage the risk;
- sources and level of assurance provided on the effective operation of key controls; and
- responsibilities for managing these risks.

The Audit and Risk Committee Charter (and from March 2020, the Risk and Compliance Committee Charter) requires the Committee and the General Manager Global Risk and Assurance to review, at least annually, the Risk Management Framework.

During FY2020, the Audit and Risk Committee oversaw a review of the Risk Management Framework that resulted in an updated risk appetite statement including tolerance metrics within in which management is expected to operate being approved. In undertaking this review, the Audit and Risk Committee was satisfied that the Risk Management Framework continues to be sound and that the Company is operating with due regard for the risk appetite set by the Board.

4.3 Internal audit

Nufarm has an internal audit function which is part of the global risk and assurance function that reports to the Group General Counsel and Company Secretary.

Nufarm's internal audit model is a co-sourced model, with PWC engaged to provide internal audit services under this model. Nufarm's General Manager Risk and Assurance is accountable to both the Committee and the CEO for the performance of the internal audit function and manages the relationship with PWC.

The internal audit function supports management efforts to:

- manage and control risks;
- improve the efficiency and effectiveness of key business processes and internal control systems;
- monitor compliance with Company wide requirements, policies and procedures; and
- provide the Committee with assurance on the operating effectiveness of controls.

The scope of internal audit work (including the annual internal audit plan) is prepared with a view to providing coverage of all major functional units and identified key risks and the Audit and Risk Committee reviewed the internal audit plan to ensure it was appropriate. During FY2020 this plan was modified to reflect the impact of COVID-19 and the requirement to undertake internal audits remotely. The internal audit program continued during this period with the use of data analytics.

Corporate Governance Statement continued

The General Manager Risk and Assurance, together with PWC representatives, reported directly to the Committee at each meeting on the progress against the internal audit plan, as well as detailed findings and corresponding management actions in relation to reviews undertaken in accordance with the internal audit plan. They also were given an opportunity to raise issues with the Committee in the absence of management, in a closed session held during each Committee meeting. The internal audit function had unfettered access to the Chair of the Audit and Risk Committee and now has unfettered access to the Chair of the Audit Committee.

4.4 CEO and CFO assurance

Before adoption by the Board of the 2020 half year and annual financial statements, the CEO and the CFO provided written declarations to the Board in respect of the Company's half year and annual financial statements that, in their opinion, the financial records of the Company have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of an adequate system of risk management and internal control which is operating effectively.

The declaration of the CEO and CFO is supported by written statements by all executives and key finance personnel relating to the financial position of the Company, market disclosure, the application of Company policies and compliance with internal controls and external obligations.

5 Promoting responsible and ethical behaviour

Code of Conduct

Nufarm has in place a Code of Conduct, which applies to all Directors, employees, contractors, agents and representatives of the Company.

The key values underpinning the Code of Conduct are:

- actions must be governed by the highest standards of integrity and fairness;
- all decisions must be made in accordance with the spirit and letter of applicable law; and
- business must be conducted honestly and ethically, with skill and the best judgement, and for the benefit of customers, employees, investors and the Company alike.

The Code of Conduct provides clear direction and advice on general workplace behaviour and how to conduct business both domestically and internationally, interacting with investors, business partners and the communities in which the Company operates.

Material breaches of the Code of Conduct are reported to the Human Resources Committee.

Anti-bribery Policy

Nufarm has in place an Anti-bribery Policy that applies to all Directors, officers and employees of Nufarm. The Policy strictly prohibits the making or receiving of unlawful improper payments, or the giving or receiving of anything of value or improper advantage, to or by any individual or entity with the intent of securing a business advantage for Nufarm to which it is not legally entitled.

The policy prohibits improper payments to persons or entities including public officials, any Nufarm customer or any other individual or entity with whom Nufarm does business.

Breaches of the Anti-bribery Policy are reported to the Risk and Compliance Committee.

Whistleblower Policy

During FY2020 Nufarm adopted a Whistleblower Policy to provide a clear and transparent way for employees and contractors to report unethical, unlawful or irresponsible behaviour without fear of intimidation or recrimination.

The purpose of the Whistleblower Policy is to help detect and address any conduct that is:

- corrupt, illegal, unlawful or fraudulent including bribery or any other act in breach of the Company's Antibribery Policy;
- contrary to or in breach of any Company's Policy or the Company's Code of Conduct, including harassment, bullying, discrimination victimisation;
- seriously harmful or potentially seriously harmful activity that pose a threat to the Company's employees, shareholders, clients or third parties such as deliberate unsafe work practices, with wilful disregard for the safety of others;
- activity that could cause significant financial loss to the Company or damage its reputation or be otherwise detrimental to the Company's interests;
- a substantial mismanagement of Company resources; and
- any act which endangers the public or the financial system.

The Whistleblower Policy sets out protection that will be afforded to whistleblowers as well as the option to make an anonymous report.

Material breaches of the Whistleblower Policy are reported to the Risk and Compliance Committee.

Securities Trading Policy and insider trading

The Board has adopted a Securities Trading Policy that covers dealings by Directors, KMP and relevant employees and complies with the ASX Listing Rule requirements for a trading policy. The Securities Trading Policy aims to ensure that public confidence is maintained in the reputation of Nufarm, the reputation of its directors and employees and in the trading of Nufarm securities.

The Securities Trading Policy restricts dealings by Directors, KMPs and relevant employees in Nufarm securities except for a period of four weeks from the first trading day after half and full year results are announced and following the AGM. No dealing is allowed at any time that they are in possession of unpublished price sensitive information. Directors, KMP and relevant employees are required to get pre-approval to trade during these applicable windows.

The Nufarm Code of Conduct, Anti-Bribery Policy, Whistleblower Policy and the Securities Trading Policy are available in the Corporate Governance Section of Nufarm's website.

6 Continuous disclosure and communications with shareholders

6.1 Continuous disclosure and market communications

Nufarm is committed to timely, open and effective communication with its shareholders and the general investment community.

The Board has adopted a Continuous Disclosure Policy, which establishes procedures aimed at ensuring that Nufarm complies with the legal and regulatory requirements under the Corporations Act and the ASX Listing Rules. These procedures include the establishment of a Market Disclosure Committee, which monitors the continuous disclosure framework and is responsible for ensuring that Nufarm complies with its obligations.

The Market Disclosure Committee is constituted by the CEO, CFO, Group General Counsel and Company Secretary and the General Manager, Investor Relations and External Communications and is responsible for implementing and monitoring reporting processes and controls to ensure there is an adequate system in place for the disclosure of all material information to the ASX.

The Group General Counsel and Company Secretary reports to the Board on the matters considered by the Market Disclosure Committee at each meeting. The Board approves any announcement which are within the matters reserved for decision by the Board including annual and half year financial reports, any profit update or earnings guidance, matters which could have significant financial or reputational risks, company transforming transactions or events, significant corporate transactions including any equity related transactions and any other matters that the Market Disclosure Committee considers is of fundamental significance to the Company.

In addition to approving the announcements reserved for decision by the Board, Directors are provided with copies of all announcements that are made to the ASX immediately after they have been released on the Market Announcements Platform.

The Continuous Disclosure Policy is available in the Corporate Governance Section of Nufarm's website.

6.2 Shareholder communication

The Company places a high priority on communication with shareholders and other stakeholders and aims to ensure they are kept informed of all major developments affecting Nufarm. The Company has an investor relations program to facilitate a direct, two-way dialogue with shareholders and the Company believes it is important not only to provide relevant information as quickly and efficiently as possible, but also to listen and understand shareholders' perspectives and respond to their feedback.

Nufarm holds briefings on the annual and half year financial results and on other new and significant information. Presentation material or speeches that provides any new and substantive information are first disclosed to the ASX through the Market Announcements Platform and then posted to the Nufarm website prior to any discussion.

One of the key communication tools is the Company's website. The website contains the key governance documents, market announcements, the Annual Report and half-yearly financial statements, a calendar of events relating to shareholders and other communications to key stakeholders. The website also contains a facility for shareholders to direct inquiries to the Company.

Shareholders are provided with an update on the Company's performance at the Annual General Meeting, as well as an opportunity to vote on important matters affecting Nufarm and ask questions of the Board and key members of management. All substantive resolutions at the AGM are decided by a poll rather than a show of hands. Copies of the Chairman's speech and the meeting presentation are released to the ASX and posted to the Company's website as the meeting commences. A summary of proceedings and outcome of voting on the items of business are also released to the ASX and posted to the website as soon as they are available after the meeting. All directors are expected to attend the AGM.

Nufarm's external auditor attends the AGM to answer any shareholder questions concerning the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by Nufarm and the independence of the external auditor in relation to the audit.

The Company encourages shareholders to receive communications electronically. Shareholders may elect to receive all or some of their communications electronically. This election can be made directly with the Share Registry, Computershare Investor Services Pty Limited.

The Board obtains the views of shareholders by either formal or informal means. The Board receives a regular report from the General Manager Investor Relations and External Communications which contains feedback from investors. The CEO and CFO are accessible to shareholders, analysts, fund managers and others with a potential interest in the company. The Chairman and the Chairman of the Human Resources Committee are also accessible to shareholders and institutional investors.

6.3 Verification of periodic reports

Nufarm is committed to ensuring that all the information contained in its corporate reports are accurate, effective and clear. Nufarm has put in place a process to verify the integrity of its periodic reports that are not subject to audit or reviewed by the external auditor. This includes the annual Directors reports, the Annual Report and the Sustainability Report.

A statement on the processes undertaken to verify the information not audited or verified by the external auditor is available in the Corporate Governance Section of Nufarm's website.

7 Inclusion and diversity

Nufarm is a global organisation that aims to provide an inclusive work environment where individuals are valued for their diversity and empowered to reach their full potential. We believe we are stronger when our plans and operations reflect the thinking of all our people, representing a broad range of backgrounds, cultures and experience.

Highlights in the 2020 financial year

This year we continued the delivery of our Inclusion and Diversity strategy. Our goal is to embed inclusion and diversity in the way we conduct our business, wherever we operate around the world. Activities included:

- established gender pay analysis process as part of our annual salary and short-term incentive cycle;
- introduced our NuLead Principles that underpin our talent and leadership programs and drive inclusive leadership;
- responded to Covid-19 with flexibility and inclusion. Our IT digital enablement strategy along with leadership training to support managers in managing through a crisis and regular engagement with our Employee Assistant Programs are some of the initiatives that have enabled us to manage through these unprecedented times. As an essential service we were able to maintain and for some functions and regions improve productivity as an outcome of our response to Covid-19, this was quantified through a recent survey;
- launched a new employee value proposition (EVP). The EVP has three foundational pillars, one of which focuses entirely on inviting people to 'Come as you are', to represent and continue to build our inclusive and diverse workplace. Creating an awareness of unconscious bias, reducing bias from our internal process and celebrating the differences between us are some of the ways Nufarm ensures we are creating a place where everyone feels they can belong.

- our One Nufarm Behaviours recognition program has continued to excel with 702 (2019:565) people recognised with 1,107 new badges (2019:518 badges) of appreciation during FY2020.

The Australian Workplace Gender Equality Act (WGEA) deems Nufarm as a designated relevant employer.

We comply with the WGEA requirements and saw improvements in three (GE11, GE14 and GE15) of the six key Gender Equality Indicators.

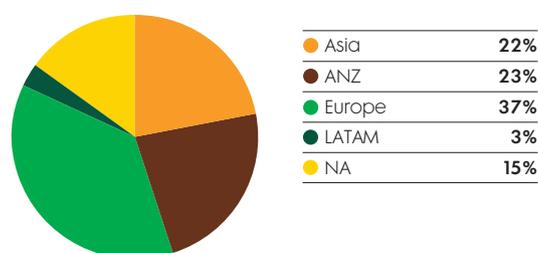
Nufarm's workforce

At the end of this financial year we employed 2,702 people (2019 3,315 people) across five regions, a decrease of 18 per cent predominantly due to the LATAM sale (580 people), on 1 April 2020. All data provided for 2020 included in this annual report excludes headcount activity from the LATAM sale.

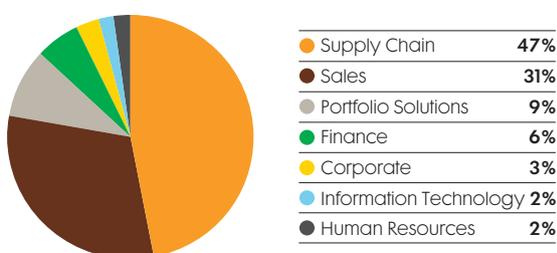
Most of our workforce remain full time with 88 per cent permanent employees (2019: 91 per cent) and 12 per cent contract or non-permanent employees up from 9 per cent in 2019. This is due to resource management and targeted expertise brought into the business to support short-term deliverables, mostly attributed to our technology infrastructure investments. Where the nature of the role allows it, we support flexible work arrangements with 3 per cent of our workforce operating with part-time arrangements down from 5 per cent in 2019, although a significant increase in flexible working arrangements have been initiated due to Covid-19 and continue due to our remote working capability.

We continue to recruit across the career lifespan with 26 per cent (2019: 33 per cent) of new hires aged less than 30 years of age, 57 per cent between 30-50 years and 17 per cent over the age of 50 (2019:13 per cent). This shift away for early in career to later in career has occurred mostly in the Sales and IT functions where we have sourced talent with greater experience and/or with required specialised skills.

2020 FTE by region



2020 FTE by function



2020 FTE v 2019 FTE by function

	2020	2019
Supply Chain	1,272	1,463
Sales	847	1,112
Portfolio Solutions	241	279
Finance	160	240
Corporate	77	95
Information Technology	64	72
Human Resources	41	54

*Includes LATAM in 2019

Women at Nufarm

Nufarm's focus on gender diversity is designed to empower all employees by actively addressing the barriers to equality and creating a level playing field and inclusive culture for both men and women. To this end we are committed to working towards a target of not less than 30 per cent of either gender making up our workforce.

We are focused on improving female representation across all areas of the business and maintained 31 per cent of all new hires being female in 2020 (2019:31 per cent). Females represented 24 per cent of people leaving the business compared to last year's 28 per cent. Overall, we have increased female representation to 25 per cent across the organisation (2019:24 per cent).

Female representation increased in Portfolio Solutions (2019:39 per cent), Supply Chain (2019: 19 per cent) and Sales (2019:17 per cent). Portfolio, Finance and Corporate are functions that already meet our target of no less than 30 per cent of either gender. Geographically North America achieves our goal with Europe and ANZ making gradual progress closer to our no less than 30 per cent of either gender goal. All employee categories increased female representation in 2020 apart from the Executive and senior management category at 21 per cent (2019: 23 per cent).

Females appointed at the executive and senior management category represented 33 per cent and came from within our internal talent pool. Across the organisation promotions showed a higher female representation of 25 per cent (2019:23 per cent). Twenty-two per cent of all internal lateral moves across the organisation were filled by females compared to 34 per cent last year. Females represent 20 per cent of all people leadership positions across Nufarm (2019:19 per cent).

The Board considers gender diversity an important factor in its succession planning. The percentage of female Non-executive Directors reduced slightly to 25 per cent due to the appointment of a new Director and the transition of the Chairman to retirement (2019: 29 per cent). Our Board gender diversity continues to be better than most of our global industry peers.

Gender by region FY2020	Female	Male	Gender by function FY2020	Female	Male
ANZ	26%	74%	Supply Chain	20%	80%
ASIA	20%	80%	Sales	19%	81%
Europe	26%	74%	Portfolio Solutions	42%	58%
LATAM	17%	83%	Finance	51%	49%
NA	31%	69%	Corporate	53%	47%
			Information Technology	13%	87%
			Human Resources	78%	22%

Gender Pay Parity Review

This year we included a gender salary and incentive review as part of our annual remuneration cycle. Globally, the findings show that on average female salary increase/ex-gratia awarded was 102.6 per cent of budget compared with males who were awarded on average 93.6 per cent of budget. Seventy-seven per cent of females in the global analysis received a salary increase compared with 72.2 per cent of males. Similar rates of ex-gratia payments were awarded between males (4.7 per cent) and females (5 per cent).

Gender pay parity slightly favoured female remuneration outcomes for both salary and bonus in most regions with Asia and Nuseed being the exception. The Asia and Nuseed average merit increase awarded was favourable to males. Both Nuseed and Asia had outcomes favourable to females in their bonus pay out.

Cultural diversity

Our global footprint enables a culturally diverse workforce of leaders and teams, representing local cultures and customers in over 100 countries. Eleven percent of Board members reside outside Australia (2019: 15 per cent). Our executive and senior management team remains culturally diverse with at least 15 different cultural backgrounds represented. Nufarm's employee self-disclosed data indicates that our workforce originates from no less than 63 different countries and speaks at least 37 different languages. Nufarm also has at least 5 per cent of employees working in a different country to their birth country.

Corporate Governance Statement continued

Progress against 2020 objectives

In 2019 we deployed a global Inclusion & Diversity diagnostic across all regions to better understand the challenges and opportunities associated with inclusion and diversity. This enabled us to develop a meaningful and appropriate global inclusion and diversity strategy that can be measured and monitored over a three-year period. The table below demonstrates progress made against our objectives in the first year of the strategy.

Objective	Progress
<p>1 Vision and Purpose</p> <p>Continue with the communications plan and regular inclusion and diversity articles, with a targeted campaign specifically designed for our senior management level.</p>	<p>Communications plan is ongoing, including regular articles and showcasing events across the organisation through our intranet platform, including Cultural Diversity Day events to raise awareness. Regions also include the inclusion and diversity benefits during Town Hall, Diversity Days, video blogs as part of their broader communications cycle.</p> <p>Steering committees continue to actively and regularly discuss diversity part of our regular meetings and the regional MBR discussions.</p> <p>Delivered a targeted program for Senior Management on Leading through a Crisis: a strong focus on improving how we lead, engage and provide a psychologically safe and inclusive environment while experiencing a pandemic and adapting to remote working (86% participation)</p>
<p>2 Policy</p> <p>Review all key people related policies to eliminate potential bias and encourage inclusion and diversity.</p>	<p>All key people policies were reviewed and updated to include the inclusion and diversity checklist. These policies will continue to be reviewed regularly and new policies will be developed in alignment with the checklist. Employee Handbooks have commenced being updated to include the reviewed policies.</p>
<p>3 Knowledge and Capability</p> <p>Extend knowledge and capability training to a wider audience beyond people managers. Provide education to increase awareness of unconscious bias and reinforce an inclusive culture.</p> <ul style="list-style-type: none"> • Deploy the unconscious bias training to 100% of our senior leaders. • Launch NuLead Principles as part of our continuous effort to develop inclusive leadership. 	<p>NuLead Principles have been recently launched and deployed in English to 956 employees with current active participation of 48%, including online and workshops (face to face prior Covid-19 and adapted to virtual during Covid-19). This includes 100% of the Senior Leadership Team from Nufarm excluding Nuseed. There is a plan to continue deployment through online training to the remaining staff in their national language for 2021.</p> <p>The extensive training with Managers/Supervisors on 'Compensation with a Growth Mindset' continues the opportunity to have in depth discussion on unconscious bias.</p>
<p>4 Remuneration</p> <p>Address the identified anomalies from the pay parity review. Conduct an annual gender pay analysis to identify any gender bias during the salary and short-term incentive review</p>	<p>A gender pay analysis was conducted as part of our annual salary and short-term incentive review. The findings showed that most regions gender pay parity slightly favoured female remuneration outcomes for both salary and incentive.</p>
<p>5 Talent Goal</p> <p>Take the new talent and succession cycle deeper into the organisation to provide greater talent visibility to the Board and senior management.</p> <p>Have one female on the panel for all senior leadership level appointments and the commitment of having one female on the short list for all senior leadership roles.</p> <p>Launch a new employee value proposition externally that has three foundational pillars, one of which focusses entirely on inviting people to 'Come as you are', to represent and continue to build our inclusive and diverse workplace. These pillars will form part a new recruitment marketing campaign in 2020.</p>	<p>The talent cycle extended one level deeper in each region providing full visibility of talent at the CEO-2 and CEO-3. Some functions and countries went deeper to CEO-4 and CEO-5. The talent cycle will continue to be deployed deeper in the organisation as we mature our talent agenda in 2021.</p> <p>100% of senior leadership level appointments had one female on the shortlist and a female represented on recruitment panel.</p> <p>The EVP has been launched globally and part of all external websites. The EVP aligned to reflect new inclusive messaging and branding. Nufarm's LinkedIn has also been revised.</p>

Focus for FY2021

Nufarm believes that inclusion and diversity are both critical to our sustainable growth. A key enabler to achieving growth is to develop our talent and continue to build an inclusive culture.

As a continuation of our efforts we now continue into year three of our inclusion and diversity strategy through extending our themes and objectives from last year deeper into the organisation, focusing additional efforts towards developing greater gender equality with our internal talent pipeline, and conducting our interim regional inclusion and diversity audit.

FY2021 objectives

Inclusion and diversity strategy goals	2021 inclusion and diversity objectives
<p>1 Vision and Purpose Goal</p> <p>Diversity is actively understood and represented by all employees who promote an inclusive culture. Difference is celebrated across the Company and there is a solid understanding of how inclusion and diversity can contribute to achieving business objectives.</p> <p>By 2022</p>	<p>Continue with the communications plan and regular inclusion and diversity articles.</p> <p>Refresh the NLT Inclusion and Diversity Steering Committee, minimum 2 year term and maximum 3 year term to ensure diversity of the group.</p>
<p>2 Policy Goal</p> <p>Inclusion and Diversity Policy underpins other HR strategies. Policies and procedures are regularly reviewed, and where special circumstances allow, alternative solutions are put in place to ensure attraction and retention of a diverse workforce.</p> <p>By 2020</p>	<p>Conduct a progress Global (regional) Inclusion and Diversity diagnostic by March 2021 to demonstrate progress and review Inclusion and Diversity Strategy.</p>
<p>3 Knowledge and Capability Goal</p> <p>All employees understand what diversity and inclusion is and the competitive advantages it brings, are aware of their responsibilities in contributing to a diverse and inclusive environment, and how to do so effectively.</p> <p>By 2022</p>	<p>Deliver unconscious bias trainings to the European Senior Leadership team and the next level.</p> <p>100% of employees have access to Inclusive Leadership Framework. The remaining employees will be provided the NuLead Principles – inclusive leadership training online in their national language (where possible).</p> <p>Deploy a Voice of the Business program to improve engagement through continuous listening and data driven actions.</p>
<p>4 Remuneration Goal</p> <p>Remuneration practices ensure there is no bias based on difference.</p> <p>By 2022</p>	<p>Incorporate business as usual gender analysis by region into the remuneration review signoff process, to be led by regional leads and signed off by RGM. Global to support development of analysis.</p>
<p>5 Talent Goal</p> <p>The Board and senior leadership to have not less than 30 per cent of people of each gender. Succession plan coverage reflects the diversity of the organisation.</p> <p>By 2022</p>	<p>Continue to have one female on the panel for all senior leadership level appointments and the commitment of having one female on the shortlist for all senior Leadership roles.</p> <p>Succession plan coverage reflects the diversity of the SLT population</p>

These objectives are in addition to the ongoing activities under Nufarm's inclusion and diversity policy and current practices that are already yielding meaningful results.

