

# Corporate Governance Statement 2021



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 30 September 2021.

During FY2021, the Board continued its structured succession process taking into consideration the current skills on the Board and the expected requirements into the future. During the year, Anne Brennan retired from the Board with Lynne Saint and Dr David Jones being appointed as independent Non-executive Directors in December 2020 and June 2021 respectively.

The Board reviewed the Board Charter and Committee structure to ensure they remain appropriate for Nufarm. This resulted in the establishment of an Innovation Committee, the formalisation of the Risk and Compliance Committee's role in overseeing Environment Social and Governance matters and the responsibility of the overall corporate governance practices of the Company being allocated to the Board with the Nomination and Governance Committee changing its name to the Nomination Committee. Further details of these changes can be found in Section 3 of this Statement.

The Board also continued its governance focus approving a Climate Change Policy, formalising the Conflicts of Interest Policy for Directors and Officers and introducing a Minimum Shareholding Policy for Non-executive Directors. All other governance policies continued to be reviewed on an annual basis to ensure they continue to 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 FY2021 Nufarm complied with the fourth edition of the ASX Principles.

Nufarm's key governance documents, including the Constitution, Board and Board Committee Charters and key policies are available in the Corporate Governance section of Nufarm's website.

The Corporate Governance Statement is current as at 17 November 2021 and 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. At the 2020 Annual General Meeting shareholders approved a new Constitution that reflects current market practice and terminology.

The Board has adopted a formal Board Charter which was reviewed during 2021 and 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 governance practices and 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.
- 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 including a strategy Board session. While regularly scheduled meetings are generally held face to face, this year, most meetings were held virtually or as hybrid meetings due to the impact of the Covid-19 pandemic.

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 FY2021 can be found in the Annual Report on page 53.

## Key Activities undertaken by the Board during the year

The Board considered a range of matters during FY21, including:

- reviewing and agreeing to adopt an updated Board Charter, Audit Committee Charter, Risk and Compliance Committee Charter, Nomination Committee Charter and the establishment of an Innovation Committee and approving changes to Committee memberships as required;
- agreeing to adopt a Climate Change Policy, Minimum Shareholding Policy for Non-executive Directors and Conflicts of Interest Policy;
- reviewing and agreeing to adopt updates to governance policies including the Securities Trading Policy, Anti-bribery and Anti-corruption Policy and Continuous Disclosure Policy;
- participating in the board succession process concluding with the appointment of Lynne Saint as a Non-executive Director from 18 December 2020 and Chair of the Audit Committee from 1 July 2021 and appointment of Dr David Jones as a Non-executive Director from 23 June 2021;
- participating with management in the annual review of strategy and monitoring management's execution of strategy;
- reviewing Nufarm's capital structure;
- reviewing the delegation of authority to management to ensure it remains appropriate;
- approving an equity investment in Enko Chem Inc, a US based company discovering new small molecules in crop protection;
- 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 Management Policy and Framework;
- ratifying the appointment of the Chief Financial Officer and approving his remuneration package; and
- approving a new executive incentive plan for KMPs and members of the Nufarm Leadership Team and the adoption of new Equity Incentive Plan Rules.

## 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 in the Directors' Report on pages 51–53 in the 2021 Annual Report. The Constitution provides that the Company is not to have more than 11 or less than three Directors.

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;
- 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, Anne Brennan retired at the conclusion of the 2020 Annual General Meeting and Frank Ford advised of his intention to retire from the Board at the conclusion of the 2021 Annual General Meeting. The Board, with the assistance of the Nomination Committee, actively progressed Board succession planning during the year with the appointment of Lynne Saint as a Non-executive Director on 18 December 2020 and as Chair of the Audit Committee on 1 July 2021 and the appointment of Dr David Jones as an independent Non-executive Director on 23 June 2021 and Chair of the Innovation Committee on 14 July 2021.

## 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.

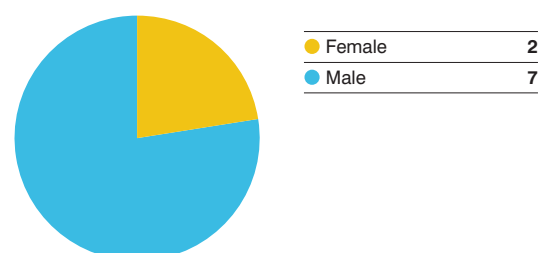
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## Skills matrix

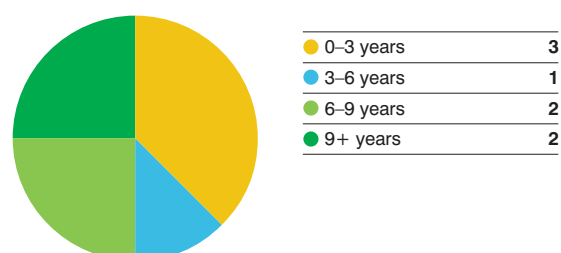
During FY2021, as part of the ongoing succession planning for the Board, the Nomination Committee continued to review the Board skills matrix which took into consideration the skills and experience the Board currently requires but also the skills and experience that will be required for the Company during its next phase of development. The Board skills matrix and the assessment of the current Directors is included in the following table.

Skills/Experience	No of Directors with skill
<b>Manufacturing &amp; Integrated Supply Chain Management in High Risk Environment</b> Relevant experience in international manufacturing and/or integrated supply chain management including demonstrated ability to improve production systems	6
<b>Customer Relations</b> Relevant international experience in customer service delivery and/or marketing of products, including brand marketing, e-commerce and use of digital technology	7
<b>Technology</b> Experience in R&D, seed technologies or emerging technologies including commercialisation	6
<b>Agricultural Experience</b> Experience in crop protection or agricultural industry obtained through a large international company	7
<b>Finance</b> Board audit experience or a senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls/audit	9
<b>Risk</b> 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
<b>Mergers, Acquisitions, JVs, Partnerships, Alliances, Divestments &amp; Integrations</b> Relevant experience in merger and acquisition transactions (including JV's etc) raising complex financial, regulatory and operational issues	8
<b>Strategy and Transformation</b> Experience in developing and executing successful strategies and/or transformation in a complex environment to deliver a sustained and resilient business	7
<b>Corporate Governance and Compliance</b> 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
<b>Regulatory, Government, Public Policy</b> Relevant experience identifying and managing legal, regulatory, public policy and corporate affairs issues	7
<b>People, Culture and Remuneration</b> 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 30 September 2021)



## Tenure of Non-executive Directors (as at 30 September 2021)



## 2.5 Chairman

The Chairman of the Board is John Gillam, 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.

## 2.6 Board succession planning

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

The Board has a Non-executive Director 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 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 FY2021 Anne Brennan retired as a Director at the 2020 Annual General Meeting. There were two Non-executive Director appointments during the year with Lynne Saint being appointed on 18 December 2020 and Dr David Jones on 23 June 2021. The Board also considered Committee Chair succession with the appointment of Lynne Saint as Chair of the Audit Committee from 1 July 2021 following Frank Ford's decision to retire from the Board at the 2021 Annual General Meeting.

## 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 FY2021 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

During FY2021 the Board formalised its procedure for dealing with conflicts of interest by approving a Conflict of Interest Policy to ensure that Directors disclose any conflicts of interest and that any conflicts are appropriately addressed. 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 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 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 normally provided to an external search firm who assists in undertaking the search.

When suitable candidates are identified, the Nomination 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 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 Shareholding requirements for Non-executive Directors

During FY2021 the Board introduced a Non-executive Director Minimum Shareholding Policy which applies to all Non-executive Directors except for any nominee Directors appointed to the Board. The Policy requires that Non-executive Directors are required to accumulate and then hold a minimum holding of Nufarm securities equivalent to 100 per cent of their total pre-tax annual base fee including superannuation. This minimum holding is to be achieved within five years of appointment or for those Non-executive Directors who were a member of the Board at the date the Policy was adopted, within five years of the adoption. Further details are set out in the Remuneration Report on pages 55 to 74 of the Annual Report.

## 2.11 Board performance evaluation

The Board is committed to regularly reviewing its own performance and effectiveness as well of those of the Committees and individual directors. The Board conducted an externally facilitated review during FY2020 which focused on Chairman succession, board succession planning and board capabilities, board calendar and papers, executive succession planning and the structure of the Board Committees. All actions from this review have been implemented.

During FY2021 the Board continued to monitor the effectiveness of these changes to ensure they remained appropriate. As a result, the responsibility for corporate governance practices

previously within the remit of the Nomination and Governance Committee has been incorporated into the Board Charter with the Nomination and Governance Committee being renamed the Nomination Committee and membership expanded to include all Non-executive Directors.

An assessment of director performance is undertaken by the Nomination 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 2021 on page 53. 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 co-ordinates all Board and Board Committee business, including agendas, papers, minutes, communication and filings. All Directors have direct access to the Company Secretary.

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## 3 Committees

To assist the Board to carry out its responsibilities, the Board has established an Audit Committee, a Risk and Compliance Committee, a Human Resources Committee and a Nomination and Governance Committee. During FY2021 the Board also agreed to establish an Innovation Committee and changed the name of the Nomination and Governance Committee to the Nomination 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 as outlined above, changes were made to the membership of each Committee highlighted in the relevant section below.

### 3.1 Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its responsibilities in respect of the Company's financial statements, the effectiveness of internal and external audit processes, internal control systems, treasury and taxation practices and compliance with relevant legal and regulatory and best practice requirements within the responsibility of the Committee.

The Audit Committee has a Charter which sets out the roles and responsibilities of the Committee in more details and can be found in the Corporate Governance Section of Nufarm's website.

During FY2021 the Audit Committee reviewed the Committee Charter to ensure that it remains appropriate, operates effectively and complies with best practice. As a result, the Board approved an amendment to include treasury practices as part of the Committee's responsibilities.

### 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 Committee during the reporting period were:

Name	Membership status
Lynne Saint (Chairman)	Member from 18 December 2020 and Chair (from 1 July 2021)
Frank Ford	Chair (until 30 June 2021) and member for the entire period
Anne Brennan	Member until 18 December 2020
Gordon Davis	Member for the entire period
Marie McDonald	Member for the entire 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 Head of Internal Audit (if applicable), the Group Tax Manager, Group Treasurer and the internal audit service provider partner attend meetings of the Committee at the invitation of the Committee Chair. All Board members are invited to attend all Audit Committee meetings.

### Activities during the year

The key activities undertaken by the Audit Committee 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 auditors;
- reviewing the independence and performance of the external auditor;
- reviewing significant accounting, financial reporting and related issues raised by management and the External Auditor;
- monitoring developments in significant accounting, financial reporting and taxation matters and considering the implications for the Company;
- approving the internal audit plan for FY2021 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 two months ended 30 September 2020, FY2021 half year and annual financial statements;
- reviewing and endorsing an updated Provision of non-audit services Policy for the External Auditor; and
- endorsing to the Board the adoption of an updated Audit Committee Charter.

### External Audit

The Audit Committee reviews 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 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. This Policy was reviewed and updated in February 2021.

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 Risk and Compliance Committee

The role of the Risk and Compliance Committee is to assist the Board in relation to the oversight of financial and non-financial risk management and compliance management within Nufarm.

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

- overseeing the risk profile and recommending the risk appetite for the Company to the Board for approval;
- considering and recommending to the Board the Risk Management Framework in respect of both financial and non-financial risk, (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 the Company's response to Environment, Social and Governance (ESG) responsibilities and reporting requirements, including modern slavery and climate change;
- overseeing the Company's insurance program;
- overseeing compliance management; and
- receiving reports of any material breaches of the Anti-Bribery and Whistleblower Policies.

### Membership and meetings

The Risk and Compliance Committee consists 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 Risk and Compliance Committee during the reporting period were:

Name	Membership status
Gordon Davis (Chairman)	Member for the entire period
Peter Margin	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 attend meetings of the Committee at the invitation of the Committee Chair.

## Activities during the reporting period

The key activities undertaken by the Committee during this period were:

- reviewing the Company's key risks and Risk Management Framework including recommending to the board the adoption of a revised Risk Management Policy and Framework 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 impacts of Covid-19, geopolitical, cyber-security, privacy and data breaches and climate change;
- receiving regular reports on health, safety, environment and quality matters;
- recommending to the Board the approval of the Modern Slavery Statement for FY2020 and the adoption of a Climate Change Policy;
- recommending to the Board updates to the Committee Charter to expand the responsibilities of the Committee to include overseeing the Company's response to ESG including receiving regular reports on ESG performance; and
- receiving regular reports on the Company's compliance program.

### 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 of 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.

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. During the period remuneration consultants were engaged through this process to undertake external benchmarking of KMP and NLT remuneration for FY2022.

Further details on 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 KMP, are reflected in the Remuneration Report on pages 55 to 74. The progress against the Company's Inclusion and Diversity objectives are detailed in the Inclusion and Diversity section of this statement on pages 41–46.

## Membership and meetings

The Human Resources Committee consists 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
Peter Margin (Chairman)	Member for the entire period
Anne Brennan	Member until 18 December 2020
Gordon Davis	Member for the entire period
Lynne Saint	Member from 25 February 2021

A standing invitation is issued to the Managing Director and CEO, CFO and Group Executive, People and Performance for all meetings.

## Activities during the year

The key activities undertaken by the Committee during the year included:

- engaging remuneration consultants to provide advice on Managing Director and CEO and other KMPs executive remuneration;
- engaging remuneration consultants to provide advice on design of a new executive incentive plan and recommending the adoption of this plan to the Board;
- endorsing the adoption by the Board of Equity Incentive Plan Rules;
- monitoring the progress on measurable objectives for achieving gender diversity including recommending the approval of the FY2021 Inclusion and Diversity report;
- overseeing and recommending the remuneration package for the appointment of the new Chief Financial Officer;
- receiving regular updates on progress with people plans and succession planning;
- reviewing and recommending to the Board the outcome of the FY2020 incentive plans and the metrics for the FY2021 incentive plans; and
- approving the remuneration report for the 2 months ended 30 September 2020.



### 3.4 Nomination Committee (previously Nomination and Governance Committee)

The role of the Nomination 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. During FY2021 the Board agreed the responsibility for the Company's corporate governance practices would be incorporated into the Board Charter.

The Nomination and Governance Committee Charter was amended in July 2021 to reflect this change and renamed the Nomination Committee.

#### Membership and meetings

The membership of the Nomination Committee also changed during the period to include:

- All Non-executive Directors (with the majority to be independent Non-executive Directors) with the Chair to be an independent Non-executive Director; and
- 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.

Marie McDonald was Chair of the Nomination and Governance Committee until 30 June 2021 when John Gillam became the Chair of the Nomination Committee.

The members of the Nomination and Governance Committee until 13 July 2021 were:

Name	Membership status (until 13 July 2021)
Marie McDonald (Chairman)	Member for the relevant period
John Gillam	Member for the relevant period
Frank Ford	Member for the relevant period
Peter Margin	Member for the relevant period

The members of the Nomination Committee from 14 July 2021 are:

Name	Membership status (from 14 July 2021)
John Gillam (Chairman)	Chair and member for the relevant period
Gordon Davis	Member for the relevant period
Frank Ford	Member for the relevant period
David Jones	Member for the relevant period
Marie McDonald	Member for the relevant period
Peter Margin	Member for the relevant period
Lynne Saint	Member for the relevant period
Toshikazu Takasaki	Member for the relevant period

#### Activities during the year

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

- overseeing the process of succession planning for the Board including making recommendations to appoint Lynne Saint and Dr David Jones as independent Non-executive Directors;
- making a recommendation to the Board to introduce a Minimum Shareholding Policy for Non-executive Directors;

- making a recommendation to the Board on adopting an updated Securities Dealing Policy and reviewing and updating the Continuous Disclosure Policy;
- making recommendations to the Board on changes to Committee membership including the appointment of Lynne Saint as Chair of the Audit Committee and Dr David Jones as Chair of the Innovation Committee;
- making a recommendation to the board to update the Committee Charter; and
- making a recommendation to the board to establish an Innovation Committee and adopting the Innovation Committee Charter.

### 3.5 Innovation Committee (from July 2021)

The role of the Innovation Committee is to assist the Board in the oversight of the Company's strategy, policies and procedures with regard to the development and adoption of innovation solutions and technologies in crop protection and seed technologies.

The Committee's key responsibilities and functions are:

- recommending the Product Research and Development Policy to the Board for approvals;
- reviewing the strategic direction of the Company's approach to innovation in crop protection and seed technologies including the processes for reviewing existing and emerging trends in innovation that may affect the Company's strategic plan;
- oversight and review of any innovation technologies in potential acquisitions;
- monitoring and reviewing the Company's research and development capital allocation policies and procedures for crop protection and seed technologies;
- monitoring post implementation results including measurable benefits for all new key product development;
- reviewing management of the intellectual property portfolio;
- reviewing and making recommendations on commercialisation opportunities for the Company's technology and intellectual property; and
- reviewing relationships with key third parties necessary to further develop the Company's adoption of innovative solutions and technologies.

#### Membership and meetings

The Committee consists of:

- a minimum of 3 members of the Board with the majority to be independent Non-executive Directors; and
- an independent Director as chair.

The members of the Committee during the relevant period were:

Name	Membership status from July 2021
Dr David Jones (Chairman)	Member for the relevant period
Marie McDonald	Member for the relevant period
Peter Margin	Member for the relevant period

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

## 4 Inclusion and diversity

Nufarm is a global organisation that aims to provide an inclusive work environment where individuals are valued for their diversity, can bring their whole self to work and be empowered to reach their full potential. We believe that diversity fuels innovative thinking, decision making and contributes to the richness of Nufarm. We are stronger when our plans and operations reflect the thinking of all our people, representing a broad range of backgrounds, cultures, and experience. We strive for a high performing culture – one that is created by our employees as they solve for the customer with a growth mindset and work together as 'One Nufarm'.

This year we continued the delivery of our 2018-2021 Inclusion and Diversity strategy and focus areas with oversight and leadership from our executive I&D steering committee. Our goal is to embed inclusion and diversity in the way we conduct our business, wherever we operate around the world. Some activities included:

- Nufarm's continued effort to respond to Covid-19 with flexibility and inclusion. While we are privileged to be working in an essential industry, we also recognise that this has been a very trying time for all our employees. We had regular promotion and education sessions with our Employee Assistant Programs, facilitation of wellness check-ins and continual access to updated Health and Wellbeing resources/ intranet for all employees. Our focus on staying connected, work life balance, flexible working and building resilience has enabled us to maintain high levels of employee satisfaction;
- at least five Executive Inclusion and Diversity Steering committee meetings;
- establishing and in some regions, re-establishing Inclusion, and diversity councils (ANZ, North America and Europe);
- launching Nufarm Voice, our employee continuous listening strategy;

- celebrating diversity across the globe with International Women's day, Black History Month in North America, and European Diversity Week;
- continuing to educate the business through unconscious bias training and mentoring programs;
- intentional focus on attracting female talent; and
- our One Nufarm Behaviours recognition program continues to progress with 447 (2020: 702) people recognised with 745 new badges (2020: 1,107 badges) of appreciation during 2021.

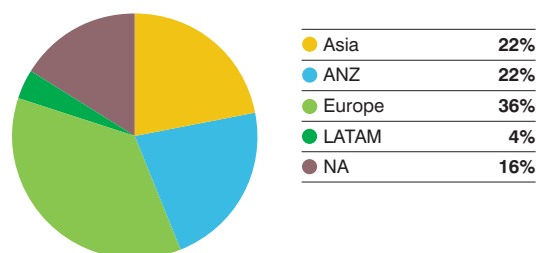
### 4.1 Nufarm's workforce

At the end of this reporting period, we employed the full time equivalent of 2,678 people (2020: 2,668), an increase of 10 full time equivalents.

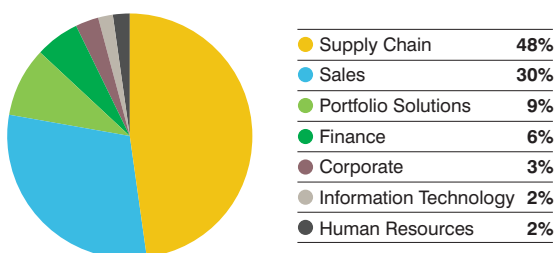
Most of our workforce remain full time with 89 per cent permanent employees (2020: 88 per cent) and 11 per cent contract or non-permanent employees (2020: 12 per cent). Where the nature of the role allows it, we support flexible work arrangements with 2 per cent of our workforce operating with part time arrangements, we continue to operate with significant flexible working arrangement to support our workforce capability during Covid-19 and beyond. During 2021 we implemented global flexible working guidelines, providing managers and staff with the clarity they needed to ensure productivity, engagement and connection amongst staff remained high.

We continue to recruit across the career lifespan with 41 per cent (2020: 33 per cent) of new hires aged less than 30 years of age, 46 per cent (2020: 54 per cent) between 30-50 years and 13 per cent over the age of 50 (2020: 13 per cent). This aligns with our longer- term intent to increase numbers in younger age groups, allowing us to grow and develop our internal talent to fill more senior opportunities more often.

### 2021 FTE by Geography



### 2021 FTE by Function



Organisation Functions	30 Sept 2021	30 Sept 2020
Supply Chain	1,280	1,265
Sales	816	827
Portfolio Solutions	236	238
Finance	166	168
Corporate	85	73
Information Technology	51	56
Human Resources	44	41

Gender by Organisation Levels	30 Sept 2021			30 Sept 2020		
	FTE	Female	Male	FTE	Female	Male
Key management personnel	3	0%	100%	4	0%	100%
Exec and senior management (CEO-1 and CEO-2)	91	25%	75%	92	21%	79%
People manager	471	21%	79%	472	21%	79%
Professionals	1,189	28%	72%	1,212	29%	71%
Manufacturing shop floor	676	10%	90%	654	10%	90%
Administration	218	70%	30%	202	70%	30%
Other	30	23%	77%	32	22%	78%

\* Key Management Personnel as listed in the annual report and include CEO and some direct reports

\*\* CEO-1 refers to the layer of senior executives reporting directly to the CEO, CEO-2 the next layer of management reporting to those senior executives

## 4.2 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 all staff. To this end we are committed to working towards a revised target of not less than 35 per cent (2020: 30 per cent) of either gender making up our workforce by 2025.

We are focused on improving female representation across all areas of the business and continue to recruit above our female representation of 26 per cent (2020: 25 per cent). During this reporting period, 30 per cent (2020: 29 per cent) of new hires were female and 28 per cent of people leaving the business were female (2020: 18 per cent).

Female representation increased in Information Technology by 7 per cent (2020: 13 per cent), Finance by 4 per cent (2020: 51 per cent) and Portfolio Solutions by 1 per cent (2020: 42 per cent). Portfolio, Finance and Corporate are functions that already meet our target of no less than 35 per cent of either gender.

Our Executive and Senior management employee category went up 4 per cent to 25 per cent representation (2020: 21 per cent) as did our People Manager category by 1 per cent while all other categories remained stable in female representation.

Females appointed at the executive and senior management category represented 56 per cent (2020: 37 per cent) and 40 per cent of those came from within our internal talent pool. Promotions showed a higher female representation of 28 per cent (2020: 25 per cent) with 56 per cent of these promotions being appointed in Europe. Thirty-two per cent of all internal lateral moves were filled by females compared to 22 per cent last year. Females represent 22 per cent of all people leadership positions across Nufarm (2020: 20 per cent). The percentage of female Non-executive Directors is 25 per cent (2020: 29 per cent), this is due to the addition of a new Non-executive Director.

Gender by Geography 30 Sept 2021	Female	Male	Gender by function 30 Sept 2021	Female	Male
ANZ	27%	73%	Supply Chain	20%	80%
ASIA	18%	82%	Sales	18%	82%
Europe	27%	73%	Portfolio Solutions	43%	57%
LATAM	20%	80%	Finance	55%	45%
NA	31%	69%	Corporate	46%	54%
			Information Technology	20%	80%
			Human Resources	79%	21%

## 4.3 Cultural diversity

Our global footprint enables a culturally diverse workforce of leaders and teams, representing local cultures and customers in over 100 countries. 25 per cent of non-executive board members reside outside Australia (2020: 11 per cent) as do 50 per cent of executive team members. 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 8 per cent of employees working in a different country to their birth country.



# Corporate Governance Statement continued

## 4.4 Nufarm Voice

Employee feedback uncovers opportunities to improve and strengths to leverage towards building a better Nufarm and a more inclusive culture. This year We introduced a new Employee Survey platform, 'Nufarm Voice', this is our continuous employee listening strategy.

The purpose of Nufarm Voice was to empower managers to more effectively use anonymous employee feedback to fuel meaningful conversations and prioritise timely action that responds to this feedback and contribute to positive change.

- Nufarm Voice puts our managers in the driver's seat to take the action that their teams are telling them is needed to create positive change;
- the surveys are shorter and more frequent so we can continuously listen to the voice of our people;
- the results are delivered with suggested learning and checklists to take immediate action towards positive change.

The surveys run every 4 months and we have seen gradual improvement toward the top quartile benchmark, and whilst it is not compulsory, we encourage everyone to participate. Our most recent survey had a participation rate of 80 per cent and a slight improvement in overall employee satisfaction. Both of which are close to the top quartile benchmark.

Whilst it is a comprehensive employee engagement platform, it allows us to focus on key Inclusion and Diversity drivers and is quickly becoming an integral part of our Inclusion and Diversity roadmap. These include Authenticity, Inclusion, Speak my Mind and Equal Opportunity. The results of which are used to understand, cultivate, and measure our progress towards building a more inclusive culture.

## 4.5 Progress against 2021 objectives

Nufarm believes that both inclusion and diversity are critical to our sustainable growth. We have now completed the third year of our three-year strategy. During 2021 we focused on embedding our key priorities deeper into the organisation and placed additional effort on developing greater gender equality with our internal talent pipeline; and conducting inclusion and diversity audits in each region.

### 2021 Objectives

#### Inclusion and diversity strategy goals

#### Progress against 2021 Objectives

Inclusion and diversity strategy goals	Progress against 2021 Objectives
<p><b>Vision and Purpose Goal</b></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> <ul style="list-style-type: none"> <li>• <b>Progress:</b> Rotation of 2 new executives to the NLT steering committee have been appointed along with a representative chairman to lead the group and revisit progress against objectives.</li> </ul>
<p><b>Policy Goal</b></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> <ul style="list-style-type: none"> <li>• <b>Progress:</b> I&amp;D Audit was completed with improvement shown across all areas measured and results shared with the Board. A 2025 I&amp;D Road map has been developed using the Audit results, Nufarm Voice results and Company strategy as key inputs.</li> <li>• Objectives developed for 2022 and approved by the HRC.</li> <li>• Developed and introduced Flexible Working Guidelines across the business.</li> </ul>

## Inclusion and diversity strategy goals

## Progress against 2021 Objectives

<p><b>Knowledge and Capability Goal</b></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> <ul style="list-style-type: none"><li>• <b>Progress:</b> Completed with planned biannual retraining.</li></ul> <p>100 per cent employees have access to our Inclusive Leadership Framework online.</p> <ul style="list-style-type: none"><li>• <b>Progress:</b> The inclusive Leadership Framework continues to be deployed through online training to staff in their national language during Covid-19. All employees except those with Spanish and Polish language have access. 19 per cent of the workforce using the framework and resources.</li></ul> <p>Deploy a Voice of the Business program 'Nufarm Voice' to improve engagement through continuous listening and data driven actions.</p> <ul style="list-style-type: none"><li>• <b>Progress:</b> Nufarm Voice platform was deployed three times over this period along with onboarding surveys as part of a more inclusive continuous listening program. 80 per cent participation with key actions taken at team level for greatest impact.</li></ul>
<p><b>Remuneration Goal</b></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> <ul style="list-style-type: none"><li>• <b>Progress:</b> Our planned annual gender pay analysis for FY20 did not occur due to a salary freeze.</li><li>• Nufarm's short term incentive 2020 plan included a non-financial team component that aims to drive a collaborative growth mindset culture. This component is measured based on team performance, contribution and behaviour and minimises manager bias associated to individual performance decisions.</li></ul>
<p><b>Talent Goal</b></p> <p>The board to have not less than 30 per cent of directors of each gender by 2022.</p> <p>The senior leadership team and workforce generally to have not less than 30 per cent of people of each gender by 2025.</p> <p>Succession plan coverage reflects the diversity of the organisation.</p> <p>By 2025</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> <ul style="list-style-type: none"><li>• <b>Progress:</b> 100 per cent of SLT open vacancies had one female on the interview panel and all senior leadership level roles apart from one (88 per cent) had at least one female on the shortlist.</li></ul> <p>Succession plan coverage reflects the diversity of the SLT population.</p> <ul style="list-style-type: none"><li>• <b>Progress:</b> The NLT succession plan is populated with 37 per cent female talent and 77 per cent of the executive roles have at least one female in the succession pool.</li></ul> <p>A new gender diversity KPI was introduced and cascaded to CEO-1 and CEO-2 and will be included in their team performance scorecard.</p>

# Corporate Governance Statement continued

## 4.6 Focus for 2022 – FY2025

Nufarm aim to provide an inclusive work environment where individuals are valued for their diversity, can bring their whole self to work and be empowered to reach their full potential. Nufarm believe that diversity fuels innovative thinking, improved decision making and contributes to the richness of Nufarm, and our ability to serve customers. We strive for a high performing culture – one that is created by our employees as they solve for the customer with a growth mindset and work together as 'One Nufarm'.

Now that we have concluded the first phase of our I&D program, the Executive Steering committee has reviewed and reset our priorities for 2022-2025. The review included a diversity audit, review of engagement and demographic data, business needs, the impact of Covid-19 and the capability required to deliver our strategy. As an outcome of this review key priorities for 2022 – 2025 were established with the following progress objectives for 2022.

## Inclusion and Diversity at Nufarm: our 2022 – 2025 Roadmap

**Inclusive and Diverse workplaces perform better.** They deliver stronger returns, innovate with ease, have access to a diverse talent pool and retain their employees for longer.





## 4.61 2022-2025 One Nufarm Key Priorities

### Global I&D Priorities and Goals

### 2022 I&D Objectives

#### Communications:

##### Implement an I&D communication plan for all internal and external communications.

Implement I&D communication plan for all internal and external communications.

The objective of the plan is to show how we are consistently creating an inclusive work environment where individuals are valued for their diversity, can bring their whole self to work and be empowered to reach their full potential.

We aim to achieve this by 2025 and will measure our success through our internal engagement survey and presence on LinkedIn.

Develop and Deliver a targeted 2022 I&D communications plan:

- INTERNAL: Frequent communication/engagement activities that improve awareness and engagement results:
  - Authenticity: I feel comfortable being myself at work
  - Inclusion: Leaders at Nufarm Value different perspectives
  - Speak my Mind: I feel free to speak my mind without fear of negative consequences
  - Equal Opportunity: Regardless of background everyone at Nufarm has equal opportunity to succeed
- EXTERNAL: Increase the awareness of Nufarm diversity benefits measured through increased diversity of the stories we share on our social media channels and the diversity of our social media followers.

#### Leadership & Talent Management:

##### Increase leadership accountability for creating an inclusive workplace and progressing diversity

#### Leadership & Talent Development by 2025

- The board to have not less than 35 per cent of directors of each gender by 2025.
- The senior leadership team and workforce to have not less than 35 per cent of each gender represented by 2025.
- Increase female representation in manufacturing roles from 14 per cent to 25 per cent by 2025.

The senior leadership team (CEO-2) to have not less than 30 per cent of either gender represented with clear accountabilities established.

Women in Manufacturing Review conducted to identify obstacles and opportunities for Nufarm.

- Increase female representation in supply chain (manufacturing) leadership roles by at least 3 per cent in FY2023 (2020: 13 per cent)

Improve female representation in commercial and P&L roles:

- Women's Mentoring Program established and deployed.
- External talent mapping for P&L roles within each Region alongside internal succession coverage.

#### Succession Planning

Succession plans are populated with diverse candidates who are skilled, ambitious, and engaged.

By 2025 all executive roles (no exception) have established gender diversity in their succession plans

Succession plan coverage of the executive team to have no less than 30 per cent representation of either gender.

#### Employee Lifecycle:

##### Modernise role design and update recruitment and selection processes to reduce bias, attract/select more diverse talent and enable internal promotions

#### Attracting and Advertising

- Increase role attractiveness to minority groups by 2025.
- Target universities, colleges, technical institutions, and areas with high minority population to advertise and build an employer of choice image for IT, Commercial agriculture, and manufacturing by 2025.

- Conduct a review on how we advertise to attract diverse candidates and develop an action plan to ensure that our jobs ads are more inclusive.
- Develop a program to attract early in career pipeline talent relevant to regional focus areas.

#### Selection

- Have one female on the selection panel for all senior leadership appointments and 80 per cent of all other appointments across the organisation by 2025.
- Commit to having at least two females on the shortlist for all (100%) senior leadership roles, and 80 per cent of all other roles to have at least one female on the shortlist by 2025.

- Develop a pre-interview tool/guide to minimise unconscious bias. Focus on criteria and outcomes of the role.
- Develop: Interview Training plan and have all panellists trained.
- 100 per cent CEO-1&2 roles and 80 per cent for all CEO-3 roles to have one female on the interview panel.
- 100 per cent all CEO-1&2 to have at least one female on the shortlist with 60 per cent of these roles having at least two females on the shortlist.

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.

## 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.

The Code was reviewed with updates approved by the Board in November 2020. The Code of Conduct is available in the Corporate Governance Section of Nufarm's website.

### Anti-bribery Policy

Nufarm has in place an Anti-bribery and Anti-corruption 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 and Anti-corruption policy are reported to the Risk and Compliance Committee.

The Anti-bribery and Anti-corruption Policy was reviewed with updates approved by the Board in October 2020. The Policy is available in the Corporate Governance Section of Nufarm's website.

### Whistleblower Policy

Nufarm has in place 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 retribution.

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 Anti-bribery 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.

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

### Modern Slavery and Human Rights Policy

Nufarm takes its human rights obligations and responsibilities seriously and is committed to the protection of human rights in its business, supply chain and the communities in which it operates consistent with the United Nations Universal Declaration of Human Rights. Nufarm believes that respecting human rights is integral to the sustainability and success of its business.

Nufarm has in place a Human Rights Policy that was reviewed and updated by the Board in July 2021.

Nufarm is also committed to preventing slavery and human trafficking in all its business activities and to ensuring that our supply chains are free from such practices. The Board approved the Modern Slavery Statement in March 2021. The statement provides information on the steps taken to identify and reduce the risk of modern slavery in Nufarm's operations and supply chain and the actions that will be taken in the coming year. The Risk and Compliance Committee receives updates on progress against these actions.

The Human Rights Policy and Modern Slavery Statement are available in the Corporate Governance Section of Nufarm's website.

### Securities Trading Policy and insider trading

The Board adopted a new Securities Trading Policy during FY2021 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 prohibits all Nufarm employees from trading in Nufarm securities at any time if they are in possession of price sensitive information and during blackout periods. Additional restrictions apply to Directors, KMPs and relevant employees including that they may only trade if they have obtained pre-approval to do so.

The policy also prohibits Directors, KMP's and relevant employees from entering into margin lending, short-term or speculative dealing or hedging of Nufarm securities.

The Securities Trading Policy is available in the Corporate Governance Section of Nufarm's website.

## 6 Risk management and internal control

### 6.1 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 Board has a focus on strategy development and execution and actively supports integrated risk management to strengthen this focus area. During the year the Risk and Assurance function was reviewed resulting in the establishment of a Risk and Compliance business unit reporting to the Group General Counsel and Company Secretary and Internal Audit reporting to the CFO. A Group Head, Risk and Compliance was appointed in April 2021 to further integrate risk management across Nufarm.

During the year, the risk management framework and policies and procedures were reviewed and updated to align to the concepts and principles identified in the Australia/New Zealand standard on Risk Management (AS/NZ ISO 31000:201809). 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 cyber-security, Covid-19 impacts, privacy and data breaches, increased geo-political risk and climate change.

The updated Policy and Framework emphasise the Board and Executive's commitment to maintaining a positive risk culture across Nufarm to maximise the effectiveness of risk management practices with a particular focus on integrating risk into strategy and decision-making.

The Group 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. The recent appointment of a Group Head, Risk and Compliance, has brought a renewed focus to strategic risk management and the integration of risk in decision-making. The Executive Risk, Health, Safety and Environment Committee continued to meet during FY2021 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), CFO, Group Executive Supply Chain Operations, Group Executive People and Performance, the Group Company Secretary and General Counsel, Group Head Risk and Compliance, General Manager, Global Sustainability, General Manager 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 2021 on pages 26 to 29 and the Sustainability Report.

### 6.2 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 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 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 and governance 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 Group Head Risk and Compliance, 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 Risk and Compliance Committee Charter requires the Committee and the Group Head Risk and Compliance to review, at least annually, the Risk Management Framework.

During FY2021, the Risk and Compliance Committee oversaw a review of the Risk Management Framework and is 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.



## 6.3 Internal audit

During FY2021 Nufarm reviewed its Risk and Assurance function resulting in separate Internal Audit and Risk and Compliance business units being established with Internal Audit reporting to the CFO and Risk and Compliance to the Group General Counsel and Company Secretary. The internal audit delivery model was also reviewed, and the decision made to move from a co-sourced model to an outsourced internal audit model, particularly while the limitations on international travel remain in place.

Nufarm's internal audit service provider is PWC who is accountable to both the Committee and the CEO for the delivery of the internal audit plan and work program. The CFO manages the relationship with PWC.

The internal audit service provider 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 business and functional units and identified key risks. The Audit Committee approves the internal audit plan which is reviewed throughout the year to ensure it remains appropriate.

The Head of Internal Audit and following the change to an outsourced internal audit model, PWC representatives, report 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. There is 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 Committee.

## 6.4 CEO and CFO assurance

Before adoption by the Board of 2021 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.

## 6.5 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 Continuous disclosure and communications with shareholders

### 7.1 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 Continuous Disclosure Policy was reviewed and updated by the Board in July 2021.

The Market Disclosure Committee is constituted by the Chairman of the Board, 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 was reviewed and updated by the Board in July 2021. The Policy is available in the Corporate Governance Section of Nufarm's website.

### 7.2 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.

[nufarm.com](https://www.nufarm.com)

